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General

Nobel Peace Prize to Dalai Lama Criticized

Tibetans Express 'Indignation'

OW1210192789 Beijing XINHUA in English
1850 GMT 12 Oct 89

[Text] Lhasa, October 12 (XINHUA)—A group of Tibetan public figures here today expressed their indignation over the awarding of Nobel Peace Prize with [as received] the Dalai Lama.

They were participants of a forum at which speakers described the awarding as "wanton interference" in China's internal affairs.

One of them said that the decision of the Norwegian Nobel Committee was "unwise".

Some held that the prize should be given to those who have made contributions to world peace and national unity. The Chinese people, including Tibetans, could not tolerate awarding a person who has engaged in activities aimed at undermining the unity of the Chinese nation and splitting their motherland.

Others said that they will unite with all patriots in Tibet to expose the conspiracy of overseas hostile forces who support the Dalai clique in his activities to split China.

Among over 40 participants were Tian Congming and Basang, both deputy secretaries of the Tibetan regional Communist Party committee.

Peace Group Condemns Prize

OW1110164989 Beijing XINHUA in English
1319 GMT 11 Oct 89

[Text] Beijing, October 11 (XINHUA)—A leading member of the Chinese People's Association for Peace and Disarmament today expressed indignation over the awarding of the 1989 Nobel Peace Prize to the Dalai Lama.

He said the Dalai Lama and Tibetan separatists should be denounced for undermining national unity and splitting China.

The decision of the Norwegian Nobel Committee to award the prize to the Dalai Lama ran counter to its purpose of recognizing those working for and contributing to "harmony and goodwill among peoples."

He said the decision constituted a gross interference in China's internal affairs and seriously hurt the national feelings of the Chinese people.

It also harmed the cause of world peace and could not be accepted by any the peace-loving people.

CSSR Paper Criticizes Prize

OW0710090689 Beijing XINHUA in English
0231 GMT 7 Oct 89

[Text] Prague, October 6 (XINHUA)—A Czechoslovak newspaper today accused the Nobel Committee in Norway of meddling in China's internal affairs by giving the 1989-Nobel Peace Prize to the exiled Dalai Lama.

The chief Czechoslovak newspaper, "RUDE PRAVO" (RED RIGHT), said that the act of choosing prize winner by political standard had nothing in common with the Nobel committee's aim to support any persons and organizations striving for world peace.

The Dalai Lama fled the people's Republic of China in 1959 after an abortive armed rebellion and has since settled in India.

UN Representative on Role of Women, Development

OW1110081889 Beijing XINHUA in English
0720 GMT 11 Oct 89

[Text] United Nations, October 1 (XINHUA)—China stressed the full participation in development by women and the "enabling policy" in solving the housing problem at the current UN second committee session today.

Chinese Representative to the United Nations Lu Xu said that development can hardly succeed without the full participation of women. And women can only improve their political, economic and social position by fully participating in development, she noted.

She said that Chinese women have played an active role in the construction of the country and the cause of reform and, at the same time, improved their own ability and status.

She also called on strengthening international cooperation and exchange to achieve equality, development and peace for women.

On the subitem of human settlement, the Chinese representative said that closely linked with national economic development, this problem can be effectively solved only under the condition of sustained economic growth and development.

"In addition to the efforts made by the countries concerned, the international community and, in particular, the developed countries should help create a favorable external environment for the economic recovery and development," she said.

One major measure taken by the Chinese Government, she said, was the "enabling policy" set forth by the Nairobi looking forward strategy, which stresses the coordinated efforts by the governments, organizations and individuals.

Interpol Official Cites Antidrug Cooperation

*OW0610182189 Beijing XINHUA in English
1544 GMT 6 Oct 89*

[Text] Beijing, October 6 (XINHUA)—China has always taken an active part in international co-operation to crack down on drug-related crimes, and is willing to share all the necessary responsibilities.

This remark was made by an official from the China Central Bureau of the International Police Organization (Interpol) today at the Asian regional drug enforcement symposium being held in Beijing.

He said the opium trade was developed by the imperialists to weaken China in the 19th century. In old China the Chinese people of all nationalities suffered terribly from this drug, he added, and said, "This was one of the causes of China's poverty and backwardness."

After the founding of New China in 1949, the government adopted resolute measures to stamp out the drug scourge.

However, the official noted, in the 1980s drug-trafficking activities have re-appeared and tend to get more and more intense with the stimulation of the international climate.

In 1988 Chinese Public Security Bureaus uncovered 268 drug offences, confiscated 239 kilograms of opium and 166 kilograms of heroin.

According to the official, in the first half of this year, 187 cases were uncovered, and 143 kg of opium and 141 kg of heroin were confiscated. These figures are much bigger than those of the same period last year.

The official said that in China drug offences are chiefly cross-border crimes, with heroin ranking top of the drug list.

In recent years, China has enhanced its anti-drug laws and joined many international anti-drug conventions.

It has also sponsored four anti-drug training classes in co-operation with foreign police organizations, attended many international conferences on the subject, sent police officials abroad to study and work, and helped many foreign police agencies uncover international-trafficking cases.

PRC Reelected To Civil Aviation Council

*OW3009035989 Beijing XINHUA in English
1533 GMT 29 Sep 89*

[Text] Ottawa, September 28 (XINHUA)—China has been re-elected to the Council of the International Civil Aviation Organization (ICAO) at its 27th assembly which is under way in Montreal, Canada.

Most of the ICAO's 161 signatory states attended the session on September 23 and re-elected the People's Republic of China a member state of the council.

Hu Yizhou, director of the General Administration of Civil Aviation of China (CAAC), is participating in the assembly, which opened on September 19 and will run until October 6.

PRC Named Member Trademark Organization

*HK0510031389 Beijing CHINA DAILY in English
5 Oct 89 p 2*

[By staff reporter]

[Text] China yesterday became a member of the Madrid Agreement Concerning the International Registration of Marks (MACIRM).

The country's participation in the Geneva-based organization will not only encourage more registration of international trademarks in China but also pave the way for the registration of more Chinese names in foreign countries, according to officials with the State Administration of Industry and Commerce (SAIC).

Established in April 1891 through the efforts of the World Intellectual Property Organization, MACIRM provides protection for trademarks within its 28 member countries.

According to SAIC statistics, by the end of June, more than 230,000 trademarks had been registered in China. The figure included 34,300 from foreign countries and regions.

The United States was the country with the most trademarks registered in China, followed by Japan, Britain, West Germany and Switzerland.

Chinese enterprises are also registering their labels in foreign countries.

Although exact figures are not available, the SAIC officials estimate that thousands of Chinese trademarks have been registered abroad.

Chinese business people have been urged to register more of their names in foreign countries and regions to protect their businesses.

In Shanghai alone, trademarks of 23 kinds of local products for export have been found to have been violated abroad. Fake trademarks of two famous kinds of Shanghai-made tires, Shuangqian and Huili, were found in Canada, Pakistan, Indonesia and Saudi Arabia.

Shanghai has registered 456 trademarks in 91 countries and regions. The figure accounts for only 45 percent of the city's export products.

Seminar Examines Peaceful Uses of Atomic Energy

*HK1010015089 Beijing CHINA DAILY in English
10 Oct 89 p 3*

[By staff reporter Xie Liangjun]

[Text] The International Atomic Energy Agency (IAEA) provides China with more than \$500,000 in technological aid annually to help its development on the peaceful use of atomic energy. CHINA DAILY learned from the IAEA research, co-ordination and consultants' meeting on nuclear borehole logging yesterday in Beijing.

The meeting, which will end on Friday, has attracted 16 scientists and experts from Australia, Canada, Poland, India, Egypt, the Soviet Union, the United States, Vietnam and Hungary.

Sources from the China National Nuclear Corporation (CNNC) said China has received several million dollars in technological aid, involving about 20 projects, from the IAEA and United Nations Development Programme over the years.

At yesterday's opening ceremony, geologist Chen Zhaobo, executive vice-president of CNNC, said that nowadays, development of natural resources is a matter of the utmost concern throughout the world, adding that China has established a technical system for nuclear borehole logging which is used successfully in its petroleum, gas and uranium exploration and development.

"In developing and applying these techniques, Chinese experts have learned a lot from foreign colleagues," said Chen, expressing the hope that the meeting would provide a new opportunity for Chinese scientists and experts to learn and exchange experiences with foreign delegates.

In order to help other Third World countries to use atomic energy peacefully, China had made many contributions and accepts people from these countries to study and holds short-term training courses and seminars, as well as sending experts abroad to help.

China began research and development in this field in the 1950s. For more than 30 years, great progress has been made and now, about 40 to 50 per cent of geological data in oil exploration in China is sought by nuclear borehole logging.

However, much of this sophisticated technology has to be imported.

But associate professor Zhao Jingqi from the Division of Nuclear Applications under the China Institute of Atomic Energy said that Chinese experts are trying to find a way to produce such equipment.

More Sino-Foreign Cooperation in Science Planned

HK0510031189 Beijing CHINA DAILY in English
5 Oct 89 p 1

[By staff reporter Wang Dongtai]

[Text] In a move to "open itself wider to the outside world," the Chinese Government has decided to expand

co-operation with other countries in science and technology, according to an official with the International Co-operation Department of the State Science and Technology Commission.

The government will encourage scientists and technicians to participate in international academic activities, "whenever they have the opportunity," the official, Chen Changsui, said in an interview yesterday.

Chen said the commission will invite more foreign scientists to lecture and conduct joint research projects in China.

The Chinese Government will also strengthen its official ties with foreign governments in scientific and technological co-operation. China has agreements with 57 countries regarding co-operation in science and technology.

Moreover, China will open more of its laboratories to foreign researchers, he said.

"We will also try more ways of co-operating with other countries in technological development, design and production," Chen said, "and the country hopes to increase its technology exports."

Projects

China has co-operative science and technology projects with 108 countries. There were 13,300 such projects last year, 11.6 times more than in 1978. About 38,300 people participated in these, 5.8 times more than in 1978.

Before 1978, Chen said, China's scientific co-operation was confined to Third World and East European countries. Since 1978, when the open policy was adopted, China has established official ties with 17 Western countries in science and technology co-operation.

In 1986, China resumed its official science and technology co-operation with the Soviet Union after a 28-year hiatus.

China now has more than 1,000 official co-operative projects with other countries. The Chinese Government is also very interested in multilateral co-operation. In addition to its involvement with the United Nations science and technology organizations, Chinese scientists have participated in activities organized by other official or non-official international scientific establishments. In 1988, 4,500 Chinese scientists went abroad for international academic meetings, eight times more than in 1978.

Since 1981, China has also co-operated with the European Community on projects of energy, bio-engineering, communications technology and nuclear safety.

Joint Efforts

Before 1978, co-operation took the limited form of study tours, attending academic meetings and exhibitions, discussions of technology and inviting foreign experts to give lectures.

In recent years, this has broadened to co-operative research, joint laboratories, developing new technologies and joint business ventures. The growing tendency, Chen said, is to combine technology with commerce.

Co-operation and exchanges have taken place in biotechnology, aerospace, communications, automation, lasers, new materials and new energy.

Offices have been established in 26 provinces and municipalities to administer exchanges in science and technology with foreign countries. Centres for such exchanges have been established in 27 provinces and municipalities.

To promote economic development, many Chinese technicians from medium-sized and small enterprises have been abroad to study production technologies and management.

In 1988, 300 scientists and engineers were sent to study in Japan, Britain and Hong Kong.

Shanghai Hosts Communications, Computer Show

*OW1010195689 Beijing XINHUA in English
1612 GMT 10 Oct 89*

[Text] Shanghai, October 10 (XINHUA)—The International Communications and Computer Show '89 opened in the exhibition centre here today.

Sophisticated post and telecommunications equipment and the latest in computer technology is on display.

More than 20 companies from Australia, Belgium, the Federal Republic of Germany, France, Japan, Hong Kong and other countries are taking part, including Alcatel Bell Telephone of Belgium, Siemens Ag. of West Germany, and Fujitsu Limited of Japan.

The exhibition, which is sponsored by the Ministry of Posts and Telecommunications of China, will close on October 15.

United States & Canada

Soft Drink Joint Venture To Start Production

*OW1110214989 Beijing XINHUA in English
1603 GMT 11 Oct 89*

[Text] Tianjin, October 11 (XINHUA)—The Tianjin-Jinmei Beverage Company Limited, a new Sino-U.S. joint venture, has succeeded in the trial production of soft drinks and will start full production.

The venture was set up by Coca Cola Holdings (Asia) Ltd. and the China Light Industrial Corporation for Foreign Economic and Technical Co-operation, the Food Industrial Combined Development Corporation of the Chinese Ministry of Light Industry, and the Tianjin No. 4 Beverage Mill.

Total investment in the venture amounts to 22.7 million U.S. dollars, 50 percent of which was provided by the

U.S. interests. Under the contract, the Chinese and American partners will co-operate for 20 years.

The venture will produce three brands of soft drink—Coca Cola, Jinmei Le and Shanhaiguan.

Chinese Doctor Invited To Edit American Journal

*OW0910104889 Beijing XINHUA in English
0740 GMT 9 Oct 89*

[Text] Tianjin, October 9 (XINHUA)—A Chinese ear, nose and throat specialist has been invited to help edit a medical journal in the United States.

The doctor, Zhao Jincheng, the only Chinese on the international editorial board of the magazine, is an attending physician at the Tianjin Medical College hospital.

The magazine has an editorial board of 22 members from 17 countries. Dr. Zhao is the first Chinese to join the board.

The 40-year-old doctor, who returned to China in April from the United States where he had been working, received his medical degree in Switzerland in 1986.

Shanghai Mayor Meets U.S.-China Trade Council

*OW0810212689 Shanghai City Service in Mandarin
2300 GMT 5 Oct 89*

[From the "Morning News" program]

[Text] Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and mayor, met and feted Chairman (Sullivan) of the U.S. National Committee for U.S.-Chinese Trade at the Hengshan Guesthouse on the evening of 5 October. The two sides had a cordial and friendly talk.

Chairman (Sullivan) arrived in Shanghai on his way to attend an international economic symposium in Beijing.

Shanghai Mayor Meets U.S.-China Amity Group

*OW0810201689 Shanghai City Service in Mandarin
2300 GMT 4 Oct 89*

[From the "Morning News" program]

[Text] According to JIEFANG RIBAO, Shanghai Mayor Zhu Rongji met Ms (Huang Huizhen), who is the president of the U.S.-China Association, at the Hengshan Guesthouse on 4 October. Ms (Huang) arrived in Shanghai after attending the 40th National Day founding celebrations in Beijing at the invitation of the State Council's Office on Overseas Affairs.

Ms (Huang), 51, was born in Zhangzhou, Fujian. After taking up permanent residence in the United States, she became a successful entrepreneur. She has donated funds for construction in her native place, showing a keen interest in the motherland. In August this year, she

helped to organize, after overcoming interference, the 1989 China Export Commodity Fair in Los Angeles.

Children's Bank Receives Gift From U.S. Citizen

OW0810190989 Beijing XINHUA in English
1617 GMT 8 Oct 89

[Text] Nanjing, October 8 (XINHUA)—Bao Qing, 10-year-old president of the Children's Savings Bank of Nanjing, received a check for 10 U.S. dollars yesterday presented by Bill Kupec of the United States.

Kupec is a retired school principal, who has been dubbed the "people's ambassador". He has deep feelings with the Chinese people, especially the children.

Once he read in "CHINA DAILY" that a children's savings bank was set up in Nanjing and a 10-year-old boy was elected head of it. He was very much moved and wrote a letter of warm congratulations to Ju Qirong, director of Nanjing Branch of the People's Construction Bank of China; enclosed in the envelope was also a check for 10 U.S. dollars sent to Bao Qing as an honorary investment in his bank.

The children's savings bank was set up on June 1 this year, and ever since children have rushed here to deposit their small changes in the bank. Till now the bank has collected 880,000 yuan (240,000 U.S. dollars).

In the acceptance ceremony held yesterday young President Bao Qing delivered thanks to Grandpa Kupec on behalf of the young assistants and members of the council.

Councillor Li Tieying Meets U.S. Professor

OW0610202789 Beijing XINHUA in English
1250 GMT 6 Oct 89

[Text] Beijing, October 6 (XINHUA)—Li Tieying, Chinese state councillor and minister in charge of the State Education Commission, met here today with Shiing Shen Chern, professor at the University of California, Berkeley, and director of an Institute of Mathematics attached to Nankai University in Tianjin, China.

Professor Chern came here for a week-long visit to China at the invitation of the State Education Commission. After the visit, he will go to Tianjin to take charge of the work of the Institute of Mathematics in Nankai University.

Soviet Union

Further on Visit by Arkhipov-led Delegation

Meets Yao Yilin

OW1210131989 Beijing XINHUA in English
1250 GMT 12 Oct 89

[Text] Beijing, October 12 (XINHUA)—Chinese Vice-Premier Yao Yilin met here today with a delegation of

veteran members of the Soviet-Chinese Friendship Society led by its Vice-President I.V. Arkhipov.

During the meeting Yao, also Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, extended his warm welcome for the Soviet visitors, who helped with China's revolution and construction in the 1950s or earlier.

"The Chinese people miss the Soviet friends who helped China, and hope they could come often," he said.

In the years of the Chinese revolution and the 1950s, he said, the Soviet Union rendered a lot of help to China, and the Chinese people would not forget that.

Arkhipov, former first vice-chairman of the Council of Ministers of the Soviet Union, said during this visit, the delegation members have seen that the Chinese people, like the Soviet people, still remember their old friendship and are willing to further their friendly, cooperative relations.

During the conversation, the Soviet visitors shared their impressions of the cities they had visited, and Yao briefed them on the present economic situation in China.

In a cordial and candid atmosphere, they also exchanged views on how to expand bilateral economic and trade cooperation.

The Soviet visitors will leave for home tomorrow.

Meets Bo Yibo

OW1210211289 Beijing XINHUA in English
1548 GMT 12 Oct 89

[Text] Beijing, October 12 (XINHUA)—Bo Yibo, vice chairman of the Central Advisory Commission of the Chinese Communist Party, had a pleasant meeting here today with an old Soviet friend, I.V. Arkhipov, who was a senior Soviet expert assisting China in the 1950's.

Their meeting took place in the Great Hall of the People, where Bo extended a warm welcome to a delegation of veteran members of the Soviet-Chinese Friendship Society led by Arkhipov, its vice president and a former first vice chairman of the Council of Ministers of the Soviet Union.

In the 1950's, Arkhipov was chief economic adviser to the Chinese State Council, leading the group of Soviet experts for many years. He and Bo developed a profound friendship then.

The Soviet visitors today included veterans involved in China's liberation war in the northeast, the chief architect of China's first bridge over the Yangtze River, and senior advisers in China's economic departments in the 1950's.

Referring to the 156 key projects that China undertook with Soviet help shortly after the founding of New China, Bo said they still functioned in the country's

economy and China would never forget the help it received from the Soviet Union.

Arkhipov, speaking of his impressions of the current visit, said he had approached many ordinary Chinese and found that the people had not forgotten the history of Soviet-Chinese friendship.

He said the Soviet people held similar profound, friendly feelings towards the Chinese people.

Bo said that although there had been an unpleasant time in Sino-Soviet relations, that was in the past and "now relations between the two parties and countries have been normalized."

Arkhipov said the documents that Soviet leader M.S. Gorbachev signed with China during his visit to China in May "fully expressed the determination of the Soviet and Chinese people to improve their relations."

The two old friends expressed confidence about the prospects of bilateral relations and also exchanged views on socialist reforms and Sino-Soviet economic co-operation. Arkhipov spoke highly of China's achievements in its economic reform.

Li Ruihuan Meets Soviet Youth League Delegation

*OW1210135689 Beijing XINHUA in English
1310 GMT 12 Oct 89*

[Text] Beijing, October 12 (XINHUA)—Senior Chinese Communist Party official Li Ruihuan met a delegation here today from the Soviet All-Union Lenin Communist Youth Leagues (AULCYL), the first of its kind since the 20-odd-year suspension of the relations between the two countries' youth leagues.

Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party's Central Committee, told First Secretary of AULCYL's Central Committee V.I. Mironenko: "Following the restoration of relations between our two countries' communist parties, contacts between our two countries' communist youth leagues have also returned to normal."

"We are very glad about this," he added.

Founded on October 29, 1918, AULCYL now has 40 million members.

Li said it is in accord with the interests of the two countries that their youth leagues share experiences and learn from each other's strong points to offset each other's weaknesses.

During the meeting Mironenko expressed the desire of his delegation to help strengthen the co-operation between the two countries' communist youth leagues, while Li said he shared this sentiment.

AULCYL's delegation arrived in Beijing October 6 at the invitation of the Chinese Communist Youth League's Central Committee for a seven-day visit to China.

Northeast Asia

DPRK Extradites Prodemsoc Dissident

*HK1210121289 Hong Kong AFP in English 1209 GMT
12 Oct 89*

[Text] Beijing, Oct 12 (AFP)—Pyongyang has turned over to Chinese authorities a dissident who fled to North Korea shortly before the June 4 crackdown in Beijing, in the first known extradition of its kind, a published report said Thursday.

The official EVENING DAILY said Sun Jizhong, a worker at Beijing's Doudian Brickworks, had been a member of the "Dare to Die" teams formed to block army convoys entering the capital after the May 20 proclamation of martial law.

Fearing arrest, the worker fled to Jilin Province and crossed into North Korea on June 1, three days before the army moved in and killed hundreds, and possibly thousands, of protestors in and around Tiananmen Square.

Mr. Sun was arrested shortly afterwards by North Korean police who turned him over to their Chinese counterparts, said the report, which did not specify the date of the extradition.

The move marks the first publicized extradition of a democracy movement activist.

The dissident has been charged with illegally leaving China and faces a minimum jail sentence of a year, the report said.

He could also draw the death penalty for his "counter-revolutionary activities," analysts said.

North Korea was one of the first communist countries to publicly hail China's quashing of what officials here called a "counterrevolutionary rebellion."

Li Peng Meets DPRK Vice Foreign Minister

*SK1310052389 Beijing International Service
in Korean 1100 GMT 6 Oct 89*

[Text] In Beijing yesterday, Li Peng, premier of the State Council of China, met Comrade Cha Pong-chu, vice foreign minister of Korea, who came to China leading the Korean Foreign Ministry delegation to participate in the celebrations to mark the 40th anniversary of the establishment of Sino-Korean diplomatic relations.

Comrade Li Peng said that the celebrations to mark the 40th anniversary of the establishment of Sino-Korean diplomatic relations were of very great significance.

adding that they demonstrated to the entire world the friendship and unity between the people of China and Korea. He noted that the Sino-Korean friendship was forged with blood, that the two countries were as close in relations as lips and teeth and depended upon each other, and that the Chinese people consistently support the Korean people's cause of independent and peaceful reunification and that they support the reunification plan of President Kim Il-song on founding the democratic confederal republic of Koryo.

Comrade Cha Pong-chu said that Korea will contribute more to further strengthening the Sino-Korean friendship.

Song Renqiong Meets DPRK Party Delegation

OW0510100489 Beijing XINHUA in English
1651 GMT 4 Oct 89

[Text] Beijing, October 4 (XINHUA)—Song Renqiong, vice chairman of the Central Advisory Commission of the Chinese Communist Party, today met Yi Pong-kil, chief secretary of the Chagang Committee of the Korean Workers' Party, and Kim Hak-pong, chief secretary of the party's North Pyongan Committee.

DPRK Provincial Group Ends Visit to Liaoning

SK0810055789 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 7 Oct 89

[Text] After satisfactorily concluding its friendly visit to Liaoning Province, the seven-member delegation of the North Pyongan Provincial Committee of the Workers Party of Korea [WPK] in the DPRK, headed by Kim Hak-pong, member of the WPK Central Committee, responsible secretary of the North Pyongan Provincial WPK Committee, and chairman of the North Pyongan Provincial People's Committee, left Dandong for home on the afternoon of 7 October.

During its sojourn in Liaoning Province, the delegation paid friendly visits to Shenyang, Dalian, Fushun, and Dandong cities, and attended the activities marking the 40th anniversary of the PRC's founding.

When visiting Beijing, Kim Hak-pong and his entourage were cordially received and feted by Song Renqiong, vice chairman of the Advisory Commission of the CPC Central Committee.

When the delegation departed Dandong, Wang Julu, deputy secretary of the provincial party committee; Yu Xiling, Standing Committee member of the provincial party committee and secretary general of the provincial party committee; Wang Wenqian, secretary of the Dandong City party committee, as well as more than 100 people saw the delegation off at the end of the Yalu Jiang Bridge.

DPRK Delegation Visits Jilin Province

SK1310050589 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 12 Oct 89

[Text] At the invitation of the provincial People's Government, the goodwill delegation of Yanggang Province of the DPRK, which is headed by Chong Pong-sang, vice chairman of the Yanggang Provincial Administrative and Economic Guidance Committee, arrived in Changchun City on 12 October.

Greeting the Korean delegation at the railway station were Chen Zhenkang, vice chairman of the provincial People's Congress, and Zhu Xianying, deputy director of the provincial Foreign Affairs Office.

On the evening of 12 October, Governor Wang Zhongyu held a reception in honor of all members of the Korean delegation. During the reception, both host and guests looked back on the deep friendship between the PRC and the DPRK amid an enthusiastic and friendly atmosphere and reviewed the friendly contacts between Yanggang and Jilin Provinces. The Korean guests were also briefed by Governor Wang Zhongyu on the province's situation in politics and the economy and on the achievements made since the policy on opening to the outside world was enforced. The guests also expressed heartfelt appreciation in the achievements.

Following its visit to Changchun City, the Korean delegation will pay a visit to the cities of Jilin, Gongzhong, Yanji, and Tumen.

Hunchun 1-Day Touring Party Heads for DPRK

SK0710134989 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 6 Oct 89

[Text] In the first half of this year, Hunchun City and DPRK'S (Sakil) County reached an agreement that Hunchun City organize a party to pay a 1-day tour to this city of the DPRK. Recently, the first 1-day touring party of Hunchun City has headed for the DPRK via the (Shatuozi) port.

Vice Mayor of Shanghai Fetes DPRK Delegation

OW0810180389 Shanghai City Service in Mandarin
2300 GMT 3 Oct 89

[Text] On the evening of 3 October, Vice Mayor of Shanghai Zhuang Xiaotian met and feted the Korean-Chinese friendship delegation led by Yun Ki-chong, DPRK minister of finance, at the Hongqiao Guesthouse. The host and the guests had a cordial and friendly conversation.

Public Security Delegation Leaves for DPRK

SK0710035189 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 5 Oct 89

[Text] A 10-member China public security delegation led by Guo Dawei, director of the Liaoning Provincial

Public Security Department, left Shenyang today for the DPRK to attend the 17th regular meeting of chief representatives of the Sino-Korean border public security and state security departments to be held in Sinuiju City tomorrow.

DPRK Envoy Marks Korean Party Anniversary

*OW0910100389 Beijing XINHUA in English
0902 GMT 9 Oct 89*

[Text] Beijing, October 9 (XINHUA)—Chu Changchun, ambassador to China of the Democratic People's Republic of Korea, gave a film reception here this afternoon to mark the 44th anniversary of the founding of the Workers' Party of Korea.

Present on the occasion was Zhu Liang, head of the International Liaison Department of the Central Committee of the Chinese Communist Party.

Shenyang Marks DPRK WPK's Anniversary

*SK1210131889 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 10 Oct 89*

[Text] The anniversary of the Workers Party of Korea [WPK] falls on 10 October. Yu Man-po, Korean consul general in Shenyang, held a film and buffet reception at the Liaoning Building on the evening of 10 October to celebrate the 44th anniversary of the founding of the WPK.

More than 80 people, including Wang Julu, deputy secretary of the provincial party committee; Yu Xiling, secretary general of the provincial party committee; Yu Jingqing, president of the provincial China-Korea Friendship Association; and Zhang Chenglun, deputy secretary of the Shenyang City party committee, were invited to attend the reception.

Yu Man-po, Korean consul general in Shenyang, and Wang Julu, deputy secretary of the provincial party committee, each delivered ebullient speeches at the reception.

DPRK Newspaper Hails Friendship With China

*OW0610121589 Beijing XINHUA in English
0828 GMT 6 Oct 89*

[Text] Pyongyang, October 6 (XINHUA)—An official newspaper of the Democratic People's Republic of Korea (DPRK) today paid tribute to the DPRK-China friendship on the occasion of the 40th anniversary of the establishing of diplomatic relations between the two countries.

In an editorial, "NODONG SINMUN" said the friendship and solidarity between the two parties, governments and peoples have proved to be invincible in the past 40 years.

The paper recalled the Chinese people's support for the Korean people in their struggle for the liberation of the DPRK at the cost of their lives. Now the Chinese people

are still giving support to the DPRK in its socialist construction and the cause of peaceful reunification of the Korean fatherland, it said.

In return, the paper added, the DPRK people also give their firm support to the Chinese people in their socialist construction and the cause of their national reunification.

The article pointed out that the friendly cooperation between the peoples of the DPRK and China is making positive contribution to the promotion of their socialist construction and to the maintenance of peace and security in Asia and in the world at large.

The article also expressed confidence in further development and consolidation of the friendly relations between the two nations.

Shanghai Signs Accord With Japan Center

*OW0410125289 Shanghai City Service in Mandarin
2300 GMT 19 Sep 89*

[From the "Morning News" program]

[Text] A delegation of Tokyo's Japan-China Exchange Center arrived in Shanghai yesterday for cultural, scientific, and technological exchanges with Shanghai Municipality. The delegation signed an agreement with Shanghai's Dashijie Entertainment Center yesterday under which the center's wushu [kung fu] department will introduce traditional Chinese wushu to the Japanese people. The delegation also reached agreement with the Environmental Science Association under the municipal Association of Science and Technology to help resolve the problems of acid rain and pollution caused by motor vehicles.

Instrument Association Signs Accord With Japan

*OW1010151489 Beijing XINHUA in English
1239 GMT 10 Oct 89*

[Text] Beijing, October 10 (XINHUA)—An agreement on establishing a fund for cultivating personnel was signed between the China Instrument Manufacturers' Association and Japan's Yokogawa Electric Corporation here tonight.

The projected establishment is called "Fund for Instruments Personnel Development in Memory of Su Tian-Yokogawa."

Under the agreement, the Japanese corporation will provide half a million U.S. dollars as the basic capital of the fund and its bank interests will be used as operation expenses.

Su Tian, the late director of the Instrument Department of China's former Ministry of Machine-Building Industry, was said to have made contributions to Sino-Japanese cooperation in the instrument industry.

Before the signing ceremony, Zou Jiahua, Chinese state councillor and minister of machinery and electronics

industry, met Shozo Yokogawa, chairman of the Yokogawa Electric Corporation, and his party. They all attended the signing ceremony.

Wang Zhen Meets Japanese University Professor
OW1210104389 Beijing XINHUA in English
0914 GMT 12 Oct 89

[Text] Beijing, October 12 (XINHUA)—Chinese Vice-President Wang Zhen met Fuji Kamiya, professor of Keio University of Japan, here this afternoon.

Wang briefed his guest on China's domestic situation and internal and external policies.

Kamiya is on a visit here at the invitation of China Institute of Contemporary International Relations.

Japanese Workers Delegation Visits Shenyang
SK1210131489 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 10 Oct 89

[Text] A 20-member workers friendship delegation from Japan's Toyama Prefecture, headed by (Fuyu Shoichi), arrived in Shenyang by train on the afternoon of 10 October to pay a 5-day visit to our province.

The delegation paid a friendly visit to our province at the invitation of the provincial trade union council.

On the evening of 10 October, Chen Suzhi, vice governor of the province, met with the Japanese guests.

During the stay in Shenyang, the delegation shall hold talks with the provincial trade union council on the issues concerning conducting technological training, technological exchange, developing the export of labor forces, and the tourist trade.

Border Treaty With Mongolia Takes Effect 5 Oct
OW0810011089 Beijing in Russian to the USSR
1900 GMT 6 Oct 89

[Text] Zhang Delin, Chinese ambassador to Mongolia, and Humbagiyn Oldzboy, Mongolia's deputy minister of foreign affairs, met in Ulaanbaatar on 5 October and exchanged the ratification documents of the Sino-Mongolian treaty on the border problem, which was signed in November 1988.

The treaty came into force following the exchange of the ratification documents. The Sino-Mongolian border is defined in accordance with the border treaty between China and Mongolia concluded in 1962. The principal provisions of the Sino-Mongolian treaty on the border problem relate to the border demarcation line, protection of border signs, joint border checks, the use of water resources and communication facilities, border production activity, the solution of border cases, and duties and obligations of border guards.

Mayor Chen Meets With Ulaanbaatar Delegation
SK0710130389 Beijing BEIJING RIBAO in Chinese
17 Sep 89 p 4

[Text] The welcome guests came with the autumn wind. On the evening of 16 September at the Beijing Room of the Great Hall of the People, Mayor Chen Xitong cordially met with a delegation from Ulaanbaatar City of the Mongolian People's Republic, headed by Sambugiyn Monhjargal, chairman of the People's Hural of Deputies.

Mayor Chen first warmly welcomed the arrival of the delegation. He said: This delegation was the first one headed by a mayor of Ulaanbaatar City to visit the municipality in the past years. So, its visit is worth writing down in the history of the relations between the two capitals. Chairman Monhjargal expressed his thanks to the Beijing Municipality for giving them an opportunity to understand the ancient history, the long-standing culture, and Beijing Municipality's ongoing socialist construction. He expressed appreciation and pleasure for the achievements made in China and Beijing over the past years. Amid a sincere and cordial atmosphere, the two mayors exchanged views on developing friendship and cooperation ties between the two capitals.

After the meeting, Mayor Chen and Chairman Monhjargal respectively signed the summary of the talks. The summary indicates that both sides will further conduct cooperation in many fields in order to enhance the understanding and friendship between the two governments and between the two peoples.

After the signing ceremony, Mayor Chen hosted a welcome party for Chairman Monhjargal and his party. Present at the meeting and the party were Zhang Jianmin, Li Guang, Tie Ying, and Huang Jicheng, responsible persons of the municipal departments concerned; and (Pulebuzhaergale), charge d'affaires ad interim of the Mongolian Embassy in China.

At the invitation of the Beijing Municipal Government, the delegation arrived in Beijing on the afternoon of 15 September. On the morning of 16 September, Vice Mayor Zhang Jianmin held talks with the delegation.

Qian Qichen Attends Mongolian Ties Reception
OW1210132589 Beijing XINHUA in English
1232 GMT 12 Oct 89

[Text] Beijing, October 12 (XINHUA)—Mongolian Ambassador to China Y. Ochir today gave a reception at the embassy to mark the 40th anniversary of the establishment of diplomatic relations between Mongolia and China.

Chinese Foreign Minister Qian Qichen attended the reception.

Zhou Peiyuan Meets Mongolian Visitors*OW1010154289 Beijing XINHUA in English
1056 GMT 10 Oct 89*

[Text] Beijing, October 10 (XINHUA)—Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and president of the Chinese People's Association for Peace and Disarmament, met here today a delegation from the Safeguarding Peace Committee of Mongolia, headed by Vice Chairman Wudvar [name as received].

Chen Muhua Meets Mongolian Women's Delegation*OW0510175089 Beijing XINHUA in English
1600 GMT 5 Oct 89*

[Text] Beijing, October 5 (XINHUA)—Chen Muhua, vice-chairman of China's National People's Congress Standing Committee and president of the All-China Women's Federation met with and hosted a banquet for a women's delegation from the Mongolian People's Republic, which is headed by L. Pagmadulam, chairman of the Mongolian Women's Committee.

The delegation arrived here today for a goodwill visit as guests of the All-China Women's Federation.

Southeast Asia & Pacific**Visit of Lao Leader Kaysone Phomvihane Concludes****Leaves Kunming For Home***BK1210141089 Beijing International Service
in Lao 1230 GMT 12 Oct 89*

[Text] Our correspondent reports that Comrade Kaysone Phomvihane, chairman of the Council of Ministers of the Lao People's Democratic Republic and general secretary of the Lao People's Revolutionary Party Central Committee, ended an official friendship visit to China and left Kunming city for home by special plane this afternoon. He was seen off at the airport by Comrade He Zhiqiang, chairman of the Yunnan provincial administration, and other persons concerned of Yunnan Province and of Kunming city. Comrade Ruan Chongwu, chief of the Chinese reception committee, was also on hand to see him off at the airport.

In Kunming city, Comrade Chairman Kaysone Phomvihane visited the Kunming Electrical Machinery Factory and the Kunming Textile Factory. Comrade Li Qizheng, chief of the Kunming Electrical Machinery Factory, briefed the distinguished Lao guest on the status, technical progress, and exports of products from the factory. He also expressed willingness to cooperate in building and developing Laos' electrical power.

Prior to his departure from Kunming, Comrade Chairman Kaysone Phomvihane said that his visit to China has not only brought about the restoration of the

time-honored friendship between the two parties, countries, and people of Laos and China, but has also enabled this friendship to be developed further under new historical conditions. The visit has been marked with glorious success. He went on to say that during the visit, he has seen many new things in China. He said: Following the reform and the opening of the door to the outside world over the past 10 years, China's economy has been widely and rapidly developed. This results from the clear-sighted and correct leadership of the CPC, which has adhered to the four basic principles. China's success serves as a significant and precious lesson for Laos.

Before Comrade Kaysone Phomvihane boarded the plane, Comrade Ruan Chongwu, head of the reception committee and minister of labor of China, also extended by telephone Comrade Premier Li Peng's best wishes to him. In return, Comrade Kaysone Phomvihane asked Comrade Ruan Chongwu to convey his thanks to the Chinese leaders. He also noted that he will make further efforts to improve and develop the friendly relations between the two countries and parties.

Kaysone Deems Visit Successful*OW1210170789 Beijing XINHUA in English
1630 GMT 12 Oct 89*

[Text] Kunming, October 12 (XINHUA)—Lao leader Kaysone Phomvihane described his goodwill visit to China as "crowned with complete success," before he left here for home this afternoon.

Prior to the guests' departure, Ruan Chongwu, chairman of the Chinese Government reception committee and minister of labor, passed Kaysone a telephone message from Chinese Premier Li Peng.

In the message, Li said Kaysone's visit had made important contributions to the furthering of mutual understanding and trust between the two countries and peoples, and to the expansion of bilateral friendly cooperation.

China is willing to continue to work for the constant consolidation and promotion of such friendly relations along with Laos, the Chinese premier said.

Kaysone, chairman of the Lao Council of Ministers and general secretary of the Central Committee of the Lao People's Revolutionary Party, and his entourage arrived here from Guangzhou yesterday, when they were welcomed at a banquet hosted by the Governor of Yunnan Province He Zhiqiang.

In a discussion yesterday afternoon, Kaysone exchanged views with local Chinese officials on developing economic, trade, scientific and technological cooperation between Yunnan and northern provinces of Laos.

'Glorious Success' of Visit Viewed

BK1310063389 Beijing International Service
in Lao 1230 GMT 12 Oct 89

[News roundup: "A Successful Visit That Brings an End to the Past and Marks a Clearing for the Future"]

[Text] Today, Comrade Kaysone Phomvihane, chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR] and general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee, ended an official friendship visit to China with glorious success and left for home by a special plane. He has taken with him to the Lao people the friendship of the Chinese people. Following the visit of Comrade Chairman Kaysone Phomvihane, the mutual understanding between the two peoples of China and Laos has been enhanced. This visit also contributed to restoring and developing further the relations between the two parties and the two countries.

During the 1-week visit, Chinese party and state leaders—Comrade Jiang Zemin, Comrade Deng Xiaoping, Comrade Yang Shangkun, and Comrade Li Peng—separately met with Comrade Chairman Kaysone Phomvihane. The two sides exchanged views on bilateral relations, regional problems, and the world situation. They exchanged lessons and informed each other of the situation on opening the door to the outside world and about the economic building in their respective countries. The leaders of the two countries have maintained that the governments, parties, and people of the two countries have for a long time maintained profound, traditional friendship; that the normalization of the relations between the two states and two parties on this occasion is considered a very good thing; and that the two sides must together make this friendship flourish. They have expressed the conviction that following the visit, Sino-Lao relations will certainly be developed to a new stage.

Comrade Chairman Deng Xiaoping and Comrade Chairman Kaysone Phomvihane are old friends who have been acquainted with each other since the 1950's. They held a meeting in Beijing for about 75 minutes. In the meeting, Comrade Chairman Deng Xiaoping made important remarks on the Vietnamese withdrawal of troops and on Sino-Vietnamese relations. Comrade Deng Xiaoping said: China is pleased to improve relations with Vietnam. But the Cambodian problem still remains unsolved. Vietnam must totally withdraw its troops from Cambodia, because this is a very basic task that a socialist country should fulfill. Comrade Kaysone Phomvihane, on this occasion, briefed Comrade Deng Xiaoping on the new, changing situation in Laos and the gradual opening up to the outside world. Deng Xiaoping said: A road must be traveled by its owners. China has had some lessons that are practical for China, but are impractical in Laos. The most fundamental lessons must be integrated with the reality in the country concerned.

Comrade Premier Li Peng and Comrade Chairman Kaysone Phomvihane also held talks. The two sides have

said that the world situation has switched from confrontation to meetings, dialogues, and detente. Comrade Li Peng noted: Our world today is still not peaceful. The expansionists, the arms race, the regional disputes, and the North-South conflicts have continued to disturb the world community at different levels. Because of the differences in social systems and viewpoints, the fighting is going on sharply. Under the new circumstances, the Five Principles of Peaceful Coexistence should be used as guidelines for the settlement of international political and economic problems. Comrade Kaysone Phomvihane said: The world situation has switched from confrontation to meetings, dialogues, and detente. But there remain many conflicts in the world today. Struggle is still going on amid the peaceful coexistence. In light of this, Laos deems it necessary to strengthen friendship relations and all-round cooperation with various socialist countries and expand relations with the outside world on the basis of the Five Principles of Peaceful Coexistence.

Comrade Chairman Kaysone Phomvihane has observed that the restoration and normalization of relations between the two countries and two parties of China and Laos is beneficial to the people of the two countries. It is also in conformity with the trend of the era. It has positively contributed to peace and stability in Asia and Southeast Asia. He said: Laos pledges to do its utmost to strengthen and maintain the friendship and solidarity between the two countries, and to make them develop fruitfully with each passing day.

In addition to Beijing, Comrade Chairman Kaysone Phomvihane also traveled to Shanghai, Guangzhou, and Kunming. During the visit, the two sides signed a consular agreement between the PRC and the LPDR, a cultural cooperation agreement between the Governments of the PRC and the LPDR, an interim agreement on the handling of border affairs between the PRC and the LPDR, and an agreement between the PRC and the LPDR Governments on the mutual exemption of visas. The signing of these four agreements will certainly create conveniences for the two peoples of China and Laos to exchange visits and to expand their friendly relations and cooperation.

China and Laos are linked by common mountains and rivers. The people of the two countries have maintained friendship since ancient times. Following the joint efforts by the two sides over the past years, the relations between the two countries and two parties of China and Laos have been systematically improved; the number of people traveling to visit each other has gradually increased; and the trading along the border has thrived with each passing day.

The visit to China—with glorious success—by Comrade Chairman Kaysone Phomvihane will favor the improvement and expansion of the Sino-Lao friendly relations. It will also bring about and encourage further development of the economic and trade cooperation between the countries.

Comrade Premier Li Peng said: Between China and Laos, we must forget about the past and look to the future. Comrade Chairman Kaysone Phomvihane said: The friendship and cooperation between Laos and China have an excellent future and will advance to a new, ever more prosperous, richer, firmer, and more effective stage. Should the two sides continue to jointly make efforts, these aspirations will certainly come true.

Attache 'Missing' in Bangkok; Defection Suspected

*OW1210145789 Tokyo KYODO in English
1430 GMT 12 Oct 89*

[Text] Bangkok, Oct. 12 KYODO—A Chinese cultural attache based in Bangkok has been reported missing and authorities suspect he is trying to defect, Thai police said Thursday.

The diplomat, who has been missing from his job and residence since October 5, has been identified as Sun Yinrong, 36, a cultural attache. Chinese Embassy officials in Bangkok told Thai police he was last seen by his wife on the morning of October 5 as he left his residence.

Sources said Thai police suspect he might be hiding in some Western embassies in Bangkok. Thai immigration officials said they believe Sun is still in Thailand.

Last June, a Chinese employee of a United Nations organization based in Bangkok reportedly defected with his wife to the United States by obtaining a U.S. visa in Bangkok.

Wu Xueqian Meets Delegation From Thailand

*OW0710193789 Beijing XINHUA in English
1048 GMT 7 Oct 89*

[Text] Beijing, October 7 (XINHUA)—Chinese Vice Premier Wu Xueqian met Phaen Wannamethi, director of International Studies Centre of Thailand, and his party here this afternoon.

Wu briefed the guests on China's domestic situation and the country's views on international issues and answered questions by the visitors.

The Thai group arrived here Thursday at the invitation of the Chinese People's Institute of Foreign Affairs.

Burmese Information Delegation Leaves for Visit

*OW1110104389 Beijing XINHUA in English
0750 GMT 11 Oct 89*

[Text] Yangon (Rangoon), October 11 (XINHUA)—A delegation of the Information Committee of the State Law and Order Restoration Council (SLORC) left here this afternoon for Beijing on a one-week visit in China.

The 12-member delegation is led by U Kyaw Sunn, leader of the SLORC's Information Committee.

Among those seeing the delegation off at the Yangon airport were Maj. General Phone Myint, minister for home and religious affairs and also for information and culture, Brig. General Tin U, secretary of SLORC and Chinese Ambassador to Myanmar [Burma] Cheng Ruisheng.

Near East & South Asia

Qiao Shi Receives Indian Communist Party Group

Discusses Cooperation

*OW1010193089 Beijing XINHUA in English
1523 GMT 10 Oct 89*

[Text] Beijing, October 10 (XINHUA)—Qiao Shi, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met here today with a delegation from the Communist Party of India led by Neelam Rajasekhar Reddy, member of its Central Executive Committee.

Qiao expressed satisfaction with the contacts between the two parties since they resumed relations last year, saying the two parties have entered a new phase of cooperation.

With common efforts, he said, relations between the two parties will enjoy further expansion, which will also help further the friendly relations between the two countries and peoples.

Reddy said the Indian people and his party hold friendly feelings towards the Chinese people and Communist Party. He expressed the belief that relations between the two parties will become even better in the future.

Cites Political Consciousness

*HK1010143189 Beijing ZHONGGUO XINWEN SHE
in Chinese 1321 GMT 10 Oct 89*

["Qiao Shi Says, Chinese Intellectuals Have High Political Consciousness and Strong Devotion to Their Work"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 10 Oct (ZHONGGUO XINWEN SHE)—This afternoon, Qiao Shi, member of the CPC Political Bureau Standing Committee, told an Indian visitor about China's current situation: China's situation is stable, and the Chinese workers and peasants are always stable. The Chinese intellectuals are also stable. Although their living conditions are still not satisfactory, they have a high political consciousness and strong devotion to their work.

He also said that China's economy has developed very quickly in the past 10 years and, in general, the people are satisfied with the current situation.

At the meeting with La Leidi [2139 7191 6611], a member of the Central Executive Committee of the Indian Communist Party, Qiao Shi said that he is

satisfied with the two parties' relations since being restored last year. He said that the normalization of the two parties' relations enabled the cooperation between the two parties to enter a new stage, and this will promote the development of friendly relations between the two countries and the two peoples of China and India.

La Leidi said: The relationship between the Indian and Chinese Communist Parties is built on a very good foundation. The Indian Communists and the Indian people cherish friendly feelings toward the Chinese people. The Indian Communist Party agrees that the party-to-party relations between the Indian Communist Party and the CPC be further developed according to the four principles.

La Leidi indicated that the CPC has rich experience and has won great victories. The CPC's experience is very useful to the Indian Communist Party.

He invited the CPC to send a delegation to visit India, and Qiao Shi accepted this invitation.

La Leidi and his entourage arrived in Beijing on 7 October.

Further on Wu Xueqian's Friendly Visit to India

Meets President Venkataraman

*OW1310003989 Beijing XINHUA in English
1833 GMT 12 Oct 89*

[Text] New Delhi, October 12 (XINHUA)—Indian President R. Venkataraman stressed today there is wide scope for cooperation in various fields between India and China.

The president made the remarks this evening when he met Chinese Vice Premier Wu Xueqian, who is here on a week-long goodwill visit to India.

Venkataraman said that the friendly relations between the two countries date thousands of years back. He expressed the hope that the Chinese vice premier's visit will help achieve a wider and stronger growth in Sino-Indian relations.

Wu Xueqian briefed the president on China's achievements in the past 40 years after the founding of the People's Republic of China. He reiterated that there will be no change in China's independent and peaceful foreign policy as well as its policy of reform and opening to the outside world.

Urges New International Order

*OW1310001989 Beijing XINHUA in English
1542 GMT 12 Oct 89*

[Text] New Delhi, October (XINHUA)—India and China today expressed their willingness to make joint efforts to establish a new international political and economic order.

This was stressed in the talks between visiting Chinese Vice Premier Wu Xueqian and Indian External Affairs Minister Narasimha Rao, who exchanged views on bilateral relations and international problems.

Wu Xueqian said that the Five Principles of Peaceful Coexistence initiated by China and India in the 1950s have great vitality. He hoped that all nations concerned will make joint efforts to build a new international political order on the basis of the five principles and a new international economic order on the basis of equality and mutual benefit.

China wishes to improve and develop relations with India on the basis of the five principles, and hopes that the South Asian nations can develop good neighborly relations on the basis of these principles, Wu said.

Rao stressed that India and China have similar and identical views on many problems. India wishes to work together with China to establish a new international political and economic order.

The Five Principles of Peaceful Coexistence are not only applicable to the relations between India and China, but also suitable to international relations the world over, he said.

The two sides noted with satisfaction that Sino-Indian relations have been improved and developed in recent years. They hope to keep up this momentum.

Rao said that the two countries are facing a hopeful stage of development in bilateral relations. The 40th anniversary of the establishment of diplomatic relations between India and China in 1990 will be a historical opportunity for the two countries to promote their relations.

Joint-Pakistan Agreement To End Double Taxation

*OW0610124789 Beijing XINHUA in English
0742 GMT 6 Oct 89*

[Text] Islamabad, October 6 (XINHUA)—Pakistan and China would give tax concessions in financial investments to various enterprises of the two countries and further improve cooperation in their socio-economic sector through better taxation measures.

An agreement for the avoidance of double taxation and prevention of income taxes evasion was signed here on Thursday in this connection between the two countries.

The signing of this agreement would provide another impetus to further strengthening of their mutually advantageous economic relations, economic experts here said.

Visiting Chinese tax delegation met with Pakistan minister of state for finance and economic affairs on Thursday and discussed with him measures to further improve economic and trade relations between the two countries.

Closer Banking Relations With Pakistan Urged*HK0910055289 Beijing CHINA DAILY in English
9 Oct 89 p 2*

[Text] Pakistan and China should step up their efforts to expand economic relations, particularly in banking, said a Pakistani banking official.

The National Bank of Pakistan is poised to strengthen co-operation with China's banks and explore the possibility of opening branches in Pakistan and China, Fazul S. Kazi, the bank's chief representative said in Beijing.

"The expansion of trade and investment between China and Pakistan can only be made faster if there are banking branches in both countries," Kazi said.

He said in the early 1960s' before the "cultural revolution" started in China, both countries had reciprocal branches.

He said since Pakistan and China enjoy a special relationship, special treatment and arrangements should be made. He noted that Chinese Premier Li Peng is expected to pay a state visit to Pakistan in mid-November.

Kazi said that his bank, the first in the developing world to establish a representative bank office in China, has maintained a close relationship with the People's Bank of China, the Bank of China and other specialized Chinese banks.

Kazi said 18 banking personnel from the People's Bank of China and other banks are currently receiving training in Pakistan.

PLA Chief Chi Haotian Meets Pakistani General*OW1010160489 Beijing XINHUA in English
1457 GMT 10 Oct 89*

[Text] Beijing, October 10 (XINHUA)—General Cai Haotian, chief of general staff of the Chinese People's Liberation Army (PLA), met with Lt. General Ahmad Kamal Khan, deputy chief of staff of the army, and his party from Pakistan here today.

The Pakistani visitors are here on a goodwill visit as guests of the PLA General Staff. General Xu Xin, PLA's deputy chief of general staff, hosted a banquet for them yesterday, after they arrived here the day before.

Qian Zhengying Meets Bangladesh Delegation*OW1210100989 Beijing XINHUA in English
0922 GMT 12 Oct 89*

[Text] Beijing, October 12 (XINHUA)—Qian Zhengying, vice-chairman of the Chinese People's Political Consultative Conference National Committee, met M.G. Hafiz, president of the Bangladesh-China Friendship Association, and his party here this afternoon.

The visitors are here at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

Guangzhou Shipyard Completes Ship for Bangladesh*OW1210230689 Beijing XINHUA in English
1312 GMT 12 Oct 89*

[Text] Guangzhou, October 12 (XINHUA)—The Guangzhou Shipyard in south China's Guangdong Province handed over in a ceremony here today the second ship it has built for Bangladesh.

The 16,500-ton multi-purpose "Bangladesh Honor" is 159 meters long, 22.8 meters wide and capable of 16 knots. It is equipped with satellite navigation equipment and an automatic-pilot engine room and refrigeration holds. It is built to comply with international standards.

Last December the same shipyard built a 16,500-ton multi-purpose ship for Bangladesh.

Sub-Saharan Africa**Embassy in Monrovia Closes, Ambassador Departs***OW1210202189 Beijing XINHUA Domestic Service
in Chinese 1507 GMT 12 Oct 89*

["Local Broadcast News Service"]

[Text] Monrovia, 11 Oct (XINHUA)—The Chinese Embassy in Liberia was closed down today following China's announcement to suspend its diplomatic relations with Liberia.

All diplomats and staff members of the embassy and their dependents took part in a ceremony this morning, during which the national flag was lowered.

Chinese Ambassador Cao Yuanxin and his wife left here for home last night. Other members of the embassy will leave for home in successive groups before the end of the month.

All construction projects being built with Chinese Government aid will soon be discontinued, and Chinese experts working in Liberia will leave for home before the end of the month.

Local officials and workers who had worked with Chinese experts were in tears when they learned that their Chinese friends would leave soon. Some of them said: The People's Republic of China is helping us sincerely. An official of the Liberian Foreign Ministry said to a Chinese diplomat: "I am convinced that the ambassador of the People's Republic of China will return to Liberia in the foreseeable future."

Further on Ghana Chairman Paul V. Obeng's Visit

Li Peng Meets Obeng, Views Reform

HK1210110889 Beijing RENMIN RIBAO in Chinese
11 Oct 89 p 1

[Report by Gu Yuqing (7357 3768 3237): "Li Peng Talks With Obeng and Hosts Banquet for Ghana's Guests—Both Guests and Host Expect a Strengthening of Cooperation"]

[Text] Beijing, 10 Oct—This afternoon Premier Li Peng held a grand welcoming ceremony at the square outside the East Gate of the Great Hall of the People for the member of the Provisional National Defense Council and Chairman of the Committee of Secretaries of Ghana, Paul Victor Obeng, who is visiting China on invitation. A cordial and friendly talk was held in the East Hall of the Great Hall of the People immediately following the welcoming ceremony.

Premier Li Peng said: 3 years ago I was invited to visit the Ghana Republic and there I was introduced to Chairman Rawlings, and held talks with you, sir. I am glad that today I have the honor, as host to your visit to China, to receive you in Beijing and exchange opinions with you over the international situation, bilateral relations, and other issues of common interests. I wish you, sir, a successful trip.

Chairman Obeng said: I am visiting China at a critical moment when both China and Ghana are deepening economic reforms. The purpose of my visit is to discuss further development in our friendly cooperation. He said that Ghana has always attached a great importance to Sino-Ghana economic relations. China's technological aid to Ghana's agriculture has achieved excellent results.

Chairman Obeng said that Ghana has been paying close attention to China's reform. When some people in China engaged in counterrevolutionary activities under the slogan of "democracy and freedom," we were deeply disappointed. But we were confident that the Chinese Government and its leaders would be able to control the situation and, based on what we have observed, this is the truth.

At the request of the guests, Premier Li Peng briefed them on the turmoil and counterrevolutionary rebellion in Beijing that took place between spring and summer. Li Peng said that internationally there are some people who have placed their hope of the peaceful evolution tactics on China's third and fourth generations. Taking advantage of China's reform and opening up, they conducted infiltration and subversion. As for reform, there are different understandings of it within the party. A correct understanding should be, Li Peng said, that reform is a self-perfection of socialism, and not a practice of capitalism. Li Peng stressed that China would have changed color if the counterrevolutionary rebellion had not been quelled.

Touching on the current situation in China, Premier Li said although for now China is experiencing some economic difficulties, its political situation is stable. Internationally there are some people who have attempted to pressure us to change our policies with economic means. This will not be successful. We believe that China's economy will eventually achieve successes after it has gone through economic improvement and rectification. And, without doubt, this will create better conditions for future economic development and opening up to the outside world.

Li Peng, Obeng Discuss Ties

HK1210104289 Beijing RENMIN RIBAO in Chinese
11 Oct 89 p 1

[Report by Gu Yuqing (7357 3768 3237): "Li Peng Hosts Banquet for Obeng"]

[Text] Beijing, 10 Oct—Premier Li Peng gave a banquet this evening at the West Hall of the Great Hall of the People to welcome Obeng, member of the Provisional National Defense Council [PNDC] and chairman of the Committee of Secretaries of Ghana, and his party.

In recent years, Premier Li said in his toast that Ghana has made gratifying achievements in its economic rejuvenation plan and has taken a successful step forward in its political structural reform. In international affairs, Ghana has pursued a policy of positive neutrality and nonalignment, opposed power politics, dedicated itself to strengthening African solidarity, and supported the just struggle of the Namibian people for independence, and that of the South African people against apartheid. We appreciate the position of the Ghanaian government and are glad to see the progress made by the Ghanaian people.

While discussing international issues, Premier Li pointed out: Over the past year, positive changes have taken place in the situation on the African Continent, and prospects are encouraging, with regional hot spots cooling down and the quest for political settlement growing. The beginning of Namibia's independence progress particularly shows that the day for the whole of Africa to wipe out colonialism is not far off. Premier Li said that the Chinese Government firmly supports the African countries' just struggle to safeguard their national independence and legitimate rights and interests, and to oppose apartheid, as well as their efforts to carry out South-South cooperation and to promote North-South dialogue.

The Chinese Government and people are willing to work together with the Ghanaian Government and people, learn from and support each other, carry out close cooperation, and make common progress, the Chinese premier said.

In his toast, Chairman Obeng hoped and believed that China's economic reform would continue, allowing many developing countries, including Ghana, to draw

from its experience. He highly appreciated China's generous support for the liberation movements in Africa, particularly those in southern Africa, to win national self-determination and eradicate the disgusting apartheid system.

Obeng said that the Ghanaian government and people will make positive efforts to continue to strengthen relations of mutual benefit with such a friendly country as China.

Li Peng Bids Farewell

*OW1210154989 Beijing XINHUA in English
1434 GMT 12 Oct 89*

[Text] Beijing, October 12 (XINHUA)—Chinese Premier Li Peng bid farewell to Paul Victor Obeng, member of the provisional National Defense Council and chairman of the Committee of Secretaries of Ghana at the Diaoyutai State Guesthouse here this evening.

"Through your visit, I hope, the friendship between China and Ghana will further develop," Li told Obeng, who wound up a three-day visit to Beijing and left later today for Shanghai.

Obeng described China as a "very reliable friend" of Ghana.

Li told Obeng "You can set your heart completely at ease in dealing with China, for China is also a developing country and won't practice hegemonism."

Earlier today, an agreement on China providing interest-free loans to Ghana and another on encouraging and protecting investment, were signed between the Chinese and Ghanaian Governments.

Sierra Leonean 'Special Envoy' Arrives for Visit

Welcomed by Tian Jiyun

*OW0910140189 Beijing XINHUA in English
1218 GMT 9 Oct 89*

[Text] Beijing, October 9 (XINHUA)—Chinese Vice-Premier Tian Jiyun met and hosted a banquet for Salia Jusu-Sheriff, special envoy of the president of Sierra Leone and second vice-president of the country, and his party here tonight.

Jusu-Sheriff arrived here this morning. His party includes Sierra Leonean Foreign Minister Abdul Karim Koroma.

They were greeted at the airport by Tian Jiyun.

Meets Yang Shangkun

*OW1010123689 Beijing XINHUA in English
1103 GMT 10 Oct 89*

[Text] Beijing, October 10 (XINHUA)—Chinese President Yang Shangkun met Salia Jusu-Sheriff, special

envoy of the president of Sierra Leone and second vice president of the country, and his party here today.

Jusu-Sheriff presented Yang with a letter from Sierra Leonean President Joseph Saidu Momoh, in which the president, on behalf of the Sierra Leonean Government and people, expressed sincere and friendly sentiments for the Chinese Government and people.

Both Jusu-Sheriff and Yang spoke highly of the friendly relations and co-operation between Sierra Leone and China.

Jusu-Sheriff said that China is a true friend of the Third World countries. China understands very well the problems of the Third World because it shares similar experiences with other Third World countries. He added that China is a force for world progress and peace.

Since the establishment of their diplomatic relations, he continued, Sierra Leone and China have maintained very friendly relations. He said he hopes the two countries will continue their efforts to strengthen bilateral ties to the benefit of their own peoples.

Referring to China's quelling of the anti-government riots which occurred in Beijing last June, Jusu-Sheriff said that this is China's internal affairs and that the Chinese Government and people know how to deal with the issue. No interference in China's internal affairs should be allowed, he said.

Yang thanked Jusu-Sheriff for his conveying of President Momoh's letter and for his country's sincere and friendly sentiments, as well as its support for and solidarity with the Chinese people. He asked Jusu-Sheriff to convey his regards to Momoh.

Yang said that Sino-Sierra Leonean friendship has a long history. Such friendship has grown further thanks to the two countries' joint efforts, he added.

He described assistance as "mutual," saying that politically the Sierra Leonean Government and people have given tremendous support to the Chinese Government and people.

Meets Qian Qichen, Departs

*OW1110174989 Beijing XINHUA in English
1458 GMT 11 Oct 89*

[Text] Beijing, October 11 (XINHUA)—Salia Jusu-Sheriff, special envoy of the president of Sierra Leone and second vice-president of the country, and his party would up their visit to China and left here by air for London this evening.

Chinese Foreign Minister Qian Qichen hosted a luncheon for the Sierra Leonean visitors today.

Before the luncheon, Qian met his Sierra Leonean counterpart Abdul Karim Koroma, who is accompanying the

special envoy on the visit. The two foreign ministers exchanged views on bilateral relations and international issues of common concern.

Nigerian Chief of Army Staff Pays Visit

Meets PLA's Xu Huizi

OW0810184689 Beijing XINHUA in English
1446 GMT 8 Oct 89

[Text] Beijing, October 8 (XINHUA)—Lt. General S. Abacha, chief of Army Staff of the Nigerian Armed Forces, and his party arrived here this afternoon for a six-day goodwill visit as guests of the Chinese Ministry of National Defense.

Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, greeted the Nigerian officers at the airport, where Xu also held a welcoming ceremony for them.

In the evening, Xu hosted a banquet for the Nigerian visitors.

Meets PLA Head Chi Haotian

OW1010142189 Beijing XINHUA in English
1338 GMT 10 Oct 89

[Text] Beijing, October 10 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met with and hosted a banquet here this evening for Lt. General S. Abacha, chief of Army Staff of the Nigerian Armed Forces, and his party, who are here on a goodwill visit.

Meets Qin Jiwei

OW1110132689 Beijing XINHUA in English
1229 GMT 11 Oct 89

[Text] Beijing, October 11 (XINHUA)—Facts have proven that friendship and cooperation between China and other Third World countries are "reliable", a Chinese Army leader said here today.

China regards the Third World countries as "reliable friends" and strengthening friendship with them is China's firm policy, said Qin Jiwei, minister of national defense in a meeting with Lt. General S. Abacha, Nigerian army chief of staff.

Gen. Qin mentioned the sympathy and support from Third World countries, including Nigeria, for China's quelling of the June anti-government riots.

The friendly relations between Chinese and Nigerian peoples and armed forces are based on mutual trust, support, benefit and understanding, Qin added.

Noting that Nigeria and China are developing countries, Abacha said the two countries have common goals of

development. Friendly ties between Nigerian and Chinese armed forces are conducive to the progress of both countries.

Nigeria was glad to see that the Chinese Government had successfully quelled the turmoil in which foreign forces had a hand, he said.

West Europe

Shanghai Gas Liquefaction Project Begins Tests

OW0710094189 Beijing Domestic Service in Mandarin
0300 GMT 27 Sep 89

[Text] The Shanghai-British Overseas Company [BOC] gas liquefaction installation, a Sino-British joint investment project, has begun a full-scale test run. This is a large gas liquefaction project, the first of its kind in China, installed by Engineering Company No 5 of Metallurgical Plant No 13 of the Baoshan Iron and Steel Complex.

With the development of microelectronics technology, there is a growing demand for oxygen, nitrogen, and argon in our country. To meet the urgent domestic market demand for these items and to change the long-standing situation of reliance on imports, the Shanghai Wusong Chemical Plant and the British BOS [as heard] Group formed a joint venture called the Shanghai-BOC Gas Company Limited. With an imported 110-metric-ton gas liquefaction installation, the new company uses as raw materials the oxygen, nitrogen, and argon produced by the Shanghai Wusong Chemical Plant, which are available in cylinders, and turns out gases with a purity as high as 99.9999 percent.

Swedish Firm Sets Up Agency in Shanghai

OW1210174589 Beijing XINHUA in English
1506 GMT 12 Oct 89

[Text] Shanghai, October 12 (XINHUA)—The Ericsson Company of Sweden today opened a branch here, which becomes the 417th foreign representative office in Shanghai.

Dr. Lars Ramquist, executive vice president of Ericsson, presided at the opening ceremony. He said the installation of the mobile radio telephone network offered by the company was [words indistinct].

The cellular network can link up with the network of the Shanghai local telephone system, with the national and international long-distance telephone system, and with other mobile telephones.

The first 1,000 telephone subscribers in Shanghai will begin to use the cellular mobile telephones by the end of the year.

The Shanghai office is the fourth office set up in China by the Ericsson company. The three others are in Beijing,

Guangzhou, and Tianjin. Since 1981, China has ordered one million digital switchboards from the company.

Between January and September this year, 78 foreign commercial businesses have opened representative offices in Shanghai, exceeding the 60 offices opened last year.

'China Week 1989' Show Opens in West Germany

*OW1110143789 Beijing XINHUA in English
1308 GMT 11 Oct 89*

[Text] Bonn, October 11 (XINHUA)—"China Week 1989" opened today in the city of Schwalm, Federal Germany, with thousands of Chinese products on show.

The festive activities are being carried out in the 100,000 sq. meter China Park, the only one of its kind in Europe, in the German town. 21 of the over 30 Chinese provinces and 29 Chinese cities have sent over 500 businessmen representing over 300 Chinese enterprises to the show, where the best of made-in-China products, ranging from light industries, machinery, chemicals, electronics, to the ubiquitous textiles, etc. are being exhibited.

The show, officially called "Chinese Economy, Culture and Technology Show," also displays large-size models of Museum Palace, of traditional decorated archways, tea house in Chinese southwest mountains, panda and terra-cotta soldiers which were buried over 2000 years ago with the first Chinese emperor.

A dough modelling master from Beijing captured quite a few spectators as he displayed his inherited art, while Chinese handicraft remain as most-favored items.

'Chinese Cultural Week' Opens in Turkey

*OW1310015689 Beijing XINHUA in English
0038 GMT 12 Oct 89*

[Text] Istanbul, October 12 (XINHUA)—A "Chinese Cultural Week" was inaugurated here today to promote understanding between the Chinese and Turkish peoples.

The cultural week includes an exhibition of Chinese print paintings, a show of Chinese foods, and traditional dance and acrobatic performances given by a 27-person troupe from China.

It is the first of its kind held in Turkey since the signing of a cultural cooperation agreement between the two nations.

Speaking at the opening ceremony, Mayor of Istanbul Nurettin Sozen said that China and Turkey are "very friendly nations cooperating in the fields of culture, art and other spheres of human endeavor."

He expressed the hope that the "Chinese Cultural Week" will help bring about a sharing of new skills, new techniques and ideas between the creative peoples of the two countries.

Chinese Consul General in Istanbul Wu Keming also expressed the belief that the "Chinese Cultural Week" will help promote the cultural interflow between the two nations.

About 100 people from various walks of life visited the exhibition held at the municipal hall after the opening ceremony.

East Europe

Albanian Premier Hopes for Better Relations

*OW1210130589 Beijing XINHUA in English
1318 GMT 12 Oct 89*

[Text] Tirana, October 12 (XINHUA)—Albanian Prime Minister Adil Carcani expressed the hope today of boosting economic and political relations with China.

"We have no reason to lower Albanian-Chinese relation than the relations between Albania and other countries," Carcani said in a meeting with the Chinese ambassador to Tirana, Fang Chengzuo, who will soon complete his term of office.

Carcani said that the possibility exists for further development of the two countries' relations in politics as well as trade and economy.

He continued that the two nations may also promote exchanges in culture and sports.

He asked the Chinese ambassador to convey his greetings to Chinese Prime Minister Li Peng.

Li Ximing Watches Exhibit on Photos of Berlin

*SK0510130689 Beijing BEIJING RIBAO in Chinese
16 Sep 89 p 4*

[Text] An exhibition on photos entitled "Berlin Sends Greetings to Beijing" opened at the Cultural Center for the Working People on 15 September. Attending the opening ceremony and watching the exhibition were Li Ximing, secretary of the Beijing Municipal CPC Committee; Chen Xitong, mayor of the municipality; Li Zhijian, member of the Standing Committee of the municipal party committee and director of the propaganda department of the municipal party committee; Wang Xiaoyi, president of the municipal association for friendship with foreign countries; responsible comrades of relevant departments under the Ministry of Foreign Affairs and the Ministry of Culture; and Berthold, ambassador of the German Democratic Republic to China. Mayor Chen Xitong and Ambassador Berthold respectively delivered speeches at the opening ceremony and wished success to the exhibition.

The exhibition was held to celebrate the 40th anniversaries of the founding of the PRC and the German Democratic Republic, the 40th anniversary of the establishment of the friendship ties between the PRC and the German Democratic Republic, and the 1st anniversary

of the establishment of the friendship ties between Beijing and Berlin. A total of 250 photos were put on display to present one aspect of Berlin's gigantic achievements in socialist construction and Berlin's sceneries and human feelings.

Bulgarian Editor Praises Zhuhai Economic Zone

*OW0710111589 Beijing XINHUA Domestic Service
in Chinese 1306 GMT 27 Sep 89*

["Local Broadcast News Service"]

[Text] Beijing, 27 Sep (XINHUA)—Joseph Davitov, editor in chief of "MODERN WORLD" magazine of the Bulgarian Telegraph Agency, recently talked about his strong impression of China during his trip to this nation, saying: "China's special economic zones have made staggering achievements and are developing rapidly."

Davitov was profuse in his praise for the miraculous development of the Zhuhai Special Economic Zone, calling it the "epitome of the great achievements of China's open door policy", and "a real paradise on earth." He told this reporter that he is going to write a series called "Report on a Trip to China."

At the invitation of the Bulgarian Broadcasting Station, he wrote a radio script introducing China to celebrate China's founding anniversary. The article highly commends and praises the experiences and accomplishments of the Zhuhai Special Economic Zone. In the article, he emphasized that Zhuhai has become not only a modern tourist city, but also an industrially developed city, where many of its enterprises produce exclusively for export.

Davitov visited the homes of some ordinary residents in Zhuhai. He noted that, generally, the residents live in spacious houses and are well-off. He particularly lauded the convenience of making phone calls in Zhuhai City. He said the well developed automatic telephone network greatly narrows the distance between this jewel of the South China Sea and the rest of the world.

Latin America & Caribbean

Chilean Government Economic Delegation Visits

Meets Song Jian

*OW1210133889 Beijing XINHUA in English
1205 GMT 12 Oct 89*

[Text] Beijing, October 12 (XINHUA)—Chinese State Councillor Song Jian met a Chilean Government economic and trade delegation here today.

The delegation, led by Chilean Vice-Foreign Minister Ramon Valdes Rosas, is here to attend the 11th session

of the Sino-Chilean economic and trade mixed committee and also on a goodwill visit to China at the invitation of the Chinese Ministry of Foreign Economic Relations and Trade.

Earlier today, Minister of the host ministry [Ministry of Foreign Economic Relations and Trade] Zheng Tuobin met the Chilean visitors.

Summary of Trade Talks Signed

*OW1310030489 Beijing XINHUA in English
0204 GMT 13 Oct 89*

[Text] Beijing, October 13 (XINHUA)—A summary of talks on the 11th Session of the Sino-Chilean Economic and Trade Mixed Committee was signed here today.

Chinese Assistant Minister of Foreign Economic Relations and Trade Gu Yongjiang and Chilean Vice-Foreign Minister Ramon Valdes Rosas signed the document.

The 11th session was held here from October 11 to 13.

Lei Jieqiong Meets Visiting Brazilian Delegation

*OW1210151689 Beijing XINHUA in English
1438 GMT 12 Oct 89*

[Text] Beijing, October 12 (XINHUA)—Lei Jieqiong, vice-chairwoman of the Standing Committee of the National People's Congress [NPC], met a Brazilian Labor Party delegation here today.

The delegation, first of its kind ever sent to China by the Brazilian Labor Party, arrived in Beijing October 10 at the invitation of the International Liaison Department of the Chinese Communist Party Central Committee.

Headed by Gastone Righi, member of the National Executive Committee of Brazilian Labor Party and party leader in the Brazilian Chamber of Deputies, the delegation is here to study China's current situation and promote exchanges with the Chinese Communist Party.

Lei told the guests that China attaches importance to its relations with Brazil and the strengthening of the relations is conducive to the development of both countries and world peace.

After meeting, Lei gave a dinner for the Brazilian guests. Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee was present.

Brazil Wants Scientific Cooperation Expanded

*OW1210200089 Beijing XINHUA in English
1831 GMT 12 Oct 89*

[Text] Brasilia, October 12 (XINHUA)—Brazil will explore more areas of scientific and technological cooperation with China, Brazilian acting Foreign Minister Flecha de Lima said Wednesday.

Flecha de Lima told visiting Vice President of the Chinese Academy of Sciences Sun Honglie that Brazilian Government attaches great importance to scientific and technological cooperation with China.

He praised the space cooperation program currently underway between China and Brazil. He said Brazilian Government supports the efforts of scientists of both countries to expand their areas of cooperation.

He said the cooperation will promote the scientific and technological development of both countries.

Beijing Cites Cuba's GRANMA on Achievements

*OW1210042789 Beijing Domestic Service in Mandarin
1700 GMT 1 Oct 89*

[From the "International News and Current Events" program]

[Text] GRANMA, the organ of the Cuban Communist Party Central Committee, published an article on 30

September, praising the PRC's achievements in socialist construction in the past 4 decades since its founding.

The article, entitled "Prevail Over Difficulties," says: Since 1 October 1949, the Chinese people, after smashing the yoke of colonialism, have embarked on the road of socialist construction and opened up a new chapter in their life. In the past 4 decades since the founding of the PRC, the Chinese people have worked hard and overcome tremendous difficulties.

The article says: While the imperialists are adding fuel to the flames of the counterrevolutionary current emerging in socialist countries, we appreciate the stand taken by the fraternal Chinese people and the CPC in defending their socialist construction.

In conclusion, the article says: Cuba congratulates the Chinese Communists and all Chinese people on their achievements, and wish them success in fulfilling the established gigantic goal.

Political & Social

Jiang, Others Attend Conference on Party Affairs

OW1310021789 Beijing XINHUA Domestic Service
in Chinese 1614 GMT 12 Oct 89

[By reporter Sun Benyao (1324 2609 1031); "Local Broadcast News Service"]

[Text] Beijing, 12 Oct (XINHUA)—At a meeting held at Zhongnanhai's Huairan Hall today with comrades attending a conference to discuss party affairs in central state organs and comrades attending the third seminar for secretaries of party committees of central state organs, Jiang Zemin, general secretary of the CPC Central Committee, said: It is extremely important for central state organs, which wield important state power, to have stronger party organizations. This is a responsibility of members of their leading party groups and of ministers, as well as a responsibility of the party committees of these state organs. They must make sure that this job is done well.

Leading Comrades Li Peng, Qiao Shi, Song Ping, Li Tieying, Ding Guangen, Hu Qiaomu, Kang Keqing, Luo Gan, and Zhang Jingyuan were present at the meeting.

Jiang Zemin said: The upheaval and rebellion have taught us the profound lesson of how important party affairs are. Party building in central state organs is not a dispensable matter, it is an important part of the work of building a stronger CPC as a whole.

Jiang Zemin said: Our party has accepted the challenge as a ruling party ever since the founding of New China. Since all state organs wield certain power and are in charge of work in various spheres, their cleanliness and honesty, and their party organs' good conduct, are very important. Their success in this regard will have nationwide influence. The Committee under the CPC Central Committee for Overseeing the Work of Central State Organs [zhong yang guo jia ji guan gong wei 0022 1135 0948 1367 2623 7070 1562 1201] should take into account the actual situation in state organs and make sure that their party organizations are efficient. Central state organs must always set a good example for others. What they actually do is more important than what they teach.

Jiang Zemin pointed out: While the mainstream of central state organs is good, they have nevertheless succumbed to the inroads of bourgeois, liberal ideology. Making a success of the operations of state organs and handling party affairs properly are both very important. Jiang Zemin expressed the hope that party organizations of state organs will achieve even greater success in handling party affairs.

In his speech, Comrade Li Peng said: What qualifications must personnel working in state organs have in order to become ministers and vice ministers? We used

to give more importance to their professional performance than to their political consciousness, and this has weakened party work. While the performance of most leaders and cadres of all ministries was satisfactory during the recent upheaval and rebellion, that of some others was not so satisfactory. From now on not only must all ministers be fully competent professionals, but also revolutionaries and statesmen, and they must do their jobs well with the support of party organizations. Meanwhile, party committees of state organs must also function the way they should.

Li Peng pointed out: We are confronted with many difficulties during the current economic retrenchment. Only by relying on our own efforts, carrying out arduous struggle, and uniting together to surmount these difficulties can we achieve new victories in our socialist modernization. It is hoped that party organizations of all state organs will play their supervisory role properly in order to guarantee success.

The conference to discuss party affairs in central state organs took place in Beijing on 10 October. Attending the conference were secretaries of party committees of various departments under central state organs and heads of organization departments of these party committees. The agenda of the conference was to discuss and present views on building stronger party organizations in central state organs.

Addressing the opening session of the conference, Luo Gan, secretary of the committee under the CPC Central Committee for overseeing the work of central state organs and secretary general of the State Council, pointed out: We must fully understand the importance and urgency of building stronger party organizations in state organs, correctly assess the current state of party workers and party affairs in central state organs, work hard with high spirit, and make concerted efforts to build stronger party organizations in central state organs so that party work can become more successfully done in central state organs.

Jiang, Others Meet With Young Pioneer Workers

OW1210144889 Beijing Domestic Service in Mandarin
1030 GMT 12 Oct 89

[Text] Party and state leaders Jiang Zemin, Li Peng, Qiao Shi, Song Ping, Li Tieying, Ding Guangeng, Hu Qiaomu, and Kang Keqing cordially met with representatives of national model Young Pioneers, outstanding Young Pioneers, and Young Pioneer workers at Zhongnanhai this afternoon, and extended congratulations to them on the occasion of 40th anniversary of the founding of the Chinese Young Pioneers.

Jiang Zemin praised the achievements made by veterans who helped with Young Pioneers' work in the early days after liberation, and the deeds of the national model Young Pioneers.

Jiang Zemin said: It is necessary to conduct education in communism and patriotism among children and instill in them or train them in revolutionary traditions and fine national traditions so that proletarian revolutionary ideas will take root in their young hearts. Only thus will they be capable of resisting the corrosion of capitalism and become the pillar of national construction in the future.

Jiang Zemin said: The Young Pioneers are reserves for the cause of communism. There are 130 million Young Pioneers in China. We are full of hope and confidence when we see that they are growing soundly. Recently I read about the deeds of young hero (Lai Ning), as well as the deeds of other Young Pioneers. I was deeply moved by their deeds. If our next generation has boundless love for the motherland and the Communist Party, studies diligently, and has a firm and indomitable will, our nation will be invincible.

Jiang Zemin said: Through the turmoil that occurred a few months ago, we have come to realize that when Comrade Deng Xiaoping said the greatest mistake of the past 10 years was in education, he meant the mistake in political-ideological work. If the proletariat fails to occupy the political-ideological front, it will be occupied by the bourgeoisie. If we are to strengthen political-ideological education, we must begin by educating children. In this sense, our workers who work among children shoulder an important historical responsibility.

Li Peng also wished the workers who work among children success in their work and good health. He encouraged them to cultivate the next generation into successors of the communist cause.

This afternoon, Comrade Deng Yingchao received the national model Young Pioneers at Zhongnanhai's Xihua Pavilion and presented them with awards. Deng Yingchao urged them to carry forward their achievements, to refrain from being complacent, and to become successors of the party and the state.

Li Peng Issues State Council Decree No 41

OW1310095289 Beijing XINHUA Domestic Service in Chinese 1305 GMT 12 Oct 89

[Text] Beijing, 12 Oct (XINHUA)—Premier Li Peng of the State Council recently signed State Council Decree No 41, in which "The Interim Regulations Governing Temporary Workers of State-Owned Enterprises" was promulgated.

To serve the needs of developing economy and invigorating enterprises in China at the present stage, these regulations have clearly stipulated in principle such issues as employment, wages, labor protection, retirement, insurance, and administration of temporary workers of state-owned enterprises.

Decree No 41 Cited

OW1310111489 Beijing XINHUA Domestic Service in Chinese 1511 GMT 12 Oct 89

["Local Broadcast News Service"]

[Text] Beijing, 12 Oct (XINHUA)—Provisional Administrative Regulations on Temporary Workers of State-Owned Enterprises

Article 1. These regulations are formulated for the purpose of strengthening the administration of temporary workers, meeting the needs of developing the economy and invigorating enterprises, and ensuring the legitimate rights and interests of temporary workers.

Article 2. Temporary workers hired by state-owned enterprises (hereafter referred to as enterprises) are those workers employed temporarily and seasonally for a period not exceeding 1 year.

Article 3. When an enterprise hires a temporary worker, the enterprise and the temporary worker himself shall sign a labor contract, which shall be submitted by the enterprise to the local labor administrative department for the record. The contract must be ended when the contract period expires. The labor contract is legally binding once it is signed according to the principle of equality, voluntariness, and consultations to reach agreement.

Article 4. In principle, enterprises shall recruit from cities and towns the temporary workers they require. If it is truly necessary to recruit temporary workers from the countryside, approval shall be obtained from the labor administrative department of the city concerned that has districts under its jurisdiction or the labor administrative department at the equivalent level. Temporary workers recruited from the countryside shall not transfer their residence registrations, nor shall there be any change with regard to their food grain.

Article 5. Wages of temporary workers shall be determined in principle by the people's governments of provinces, autonomous regions, and municipalities on the basis of the wage income of contracted workers at the same posts in the same category. The specific amount of the wages shall be determined through consultation between the employing enterprise and the temporary worker himself and shall be stated in the labor contract.

Article 6. Temporary workers who die in the line of duty within the work period for the enterprises shall receive the same treatment as contracted workers. Temporary workers injured in line of duty within the work period for the enterprises shall receive the same benefits as contracted workers during the period of medical treatment. At the end of the medical treatment, the Labor Appraisal Committee shall determine the degree of injury or disability. Those who have totally lost their working ability shall receive the same treatment as contracted workers. As for those who have partially lost their working ability, the enterprises shall, during the contract period, assign them some work that they can do. After the expiration of

the contracts, the enterprises shall act in compliance with the specific measures set forth by the concerned provincial, regional, or municipal people's government and according to the degree of injury or disability suffered by the temporary workers.

Article 7. When a temporary worker is sick or has been injured not in the line of duty, the duration of his leave for medical treatment shall be decided on the basis of his period of work for the enterprise but shall not exceed 3 months. During the period of medical treatment, he shall receive the same medical benefits as contracted workers. The enterprise shall, in accordance with the situation, give a living subsidy for the period of his sick and injury leave. If a temporary worker has recovered from an illness or an injury but cannot continue to do the original work, or if he fails to recover before the expiration of the medical treatment period, the labor contract should be rescinded. In case a labor contract is rescinded because the temporary worker has not yet recovered at the end of the medical treatment period, the enterprise shall give him a lump-sum medical subsidy provided that his employment period exceeds 6 months. If a temporary worker dies of illness or for some reason not in the line of duty, the enterprises shall issue a funeral subsidy and give a lump-sum relief pension to his direct relatives.

The amount of the payments mentioned in the previous paragraph shall be determined by the provincial, regional, and municipal people's governments and shall be less than those for contracted workers.

Article 8. For temporary workers recruited by enterprises from cities and towns, a social insurance system for the aged shall be instituted. The rules governing the amount of contributions to the insurance fund, insurance payments, and the management of the insurance fund shall be worked out by applying *mutatis mutandis* the "Provisional Regulations on the Labor Contract System Implemented by State-Owned Enterprises."

Article 9. Temporary workers can begin working only after receiving education in production safety. Those doing special jobs, such as crane operators, electricians, welders, and stokers, shall require special training and pass job evaluation to be qualified for the work. If there are toxic or other harmful materials or a relatively large danger at the work place, effective protective measures must be taken before temporary workers are hired.

When employing temporary workers, enterprises must comply with the state regulations on labor production.

Article 10. When temporary workers are working for enterprises, they shall be under the administration of the enterprises concerned. After the conclusion of the labor contract, those from the countryside shall return to the countryside; as for those from cities and towns, the local labor administrative departments shall enter their names in the job-waiting register and shall be responsible for managing them.

Article 11. Labor administrative departments at various levels shall take the responsibility to supervise and inspect the implementation of these regulations. Those violating these regulations shall, according to the seriousness of the violations, be given economic punishment by the labor administrative departments or referred to the competent authorities, who shall give disciplinary sanctions to the persons directly liable for the violations.

Article 12. Labor disputes in the course of fulfillment of labor contracts shall be handled in accordance with the state regulations dealing with labor disputes.

Article 13. State organs and institutions and social groups shall use these regulations as reference when recruiting temporary workers.

Article 14. All provincial, regional, and municipal people's governments shall formulate detailed provisions for the implementation of these regulations and submit them to the Ministry of Labor for the record.

Article 15. The Ministry of Labor shall be responsible for the interpretation of these regulations.

Article 16. These regulations shall be put into effect at the date of promulgation, at which time the "Provisional Regulations of the State Council on Improving the Employment and Management of Temporary Workers" issued 10 March 1965 shall be rescinded.

Correction of Jiang Zemin 29 Sep Report

OW0510083289

The following corrections pertain to the Beijing Television Service in Mandarin version of the 29 September Jiang Zemin speech published on pages 17-27 of the 2 October China DAILY REPORT:

Page 17, column two, second paragraph, first sentence make read: ...who supported the correct policy decisions of... (adding word "correct");

page 18, column one, paragraph two, sentence two make read: ...guarantee the masses' power and democratic rights to... (adding words "power and");

same paragraph, last sentence make read: ...reform and development by itself, certainly be able... (adding words "by itself")

paragraph three, last sentence make read: ...reform and development by itself, certainly be able... (adding words "by itself");

column two, first paragraph, sentence one make read: ...national income reached 1,177 billion yuan. The... (correcting figure);

page 19, column two, second paragraph, sentence three make read: ...for further development, conscientiously readjust the part... (clarifying word);

page 20, column one, paragraph five, first sentence make read: ...still integrate Marxism as universal truth more firmly with... (adding words "as universal truth");

page 21, column one, paragraph three, sentence 12 make read: ...If the central government does not control... (changing wording);

column two, paragraph one, sentence two make read: ...to strengthen the central government's authority and oppose... (changing wording);

paragraph three, sentence four make read: ...rigidly controlled, should, without a doubt, be reformed. Over... (adding words "without a doubt");

page 22, column one, first paragraph, only sentence make read: ...necessary supplemental role to the socialist economy of the individual... (adding words "to the socialist economy");

paragraph two, sentence one make read: ...of the socialist economy and speeding up... (changing "system" to "economy");

sentence two make read: ...or eliminating the dominant position position of public... (adding word "dominant");

paragraph three, from penultimate sentence make read: ...development. We must macroscopically create the necessary... (changing "comprehensively" to "macroscopically");

last sentence make read: ...accumulate funds, to develop and regulate themselves... (changing "transform" to "develop");

page 23, column one, paragraph two, sentence four make read: ...the scale and growth of the processing... (changing "systems" to "growth");

page 24, column one, paragraph three, sentence seven make read: ...in raising the social productive forces and... (changing "socialist" to "social");

sentence sixteen make read: ...healthy, and civilized life style, and enable the... (changing "living environment" to "life style");

column two, paragraph one, second sentence make read: ...only strive to establish a sound system for teaching culture and knowledge, but... (changing wording);

paragraph three, sentence six make read: ...enterprising spirit, and historic initiative. They... (clarifying word);

sentence eight make read: ...the role and position of the working... (clarifying word);

page 25, column two, paragraph three, sentence one make read: ...strictly carry out democratic centralism. Leading organs at... (changing "system" to "centralism");

page 26, column two, paragraph two, antepenultimate sentence make read: ...diligently learn advanced science,

technology, and management experiences from developed countries and enthusiastically make effective use... (adding words "science" and "enthusiastically");

page 27, column two, paragraph two, sentence three make read: ...course of development, the new socialist system may experience twists and turns... (changing wording);

CAAC To Begin Passenger ID Checks 15 Oct

OW1310071389 Beijing XINHUA in English
0659 GMT 13 Oct 89

[Text] Beijing, October 13 (XINHUA)—The China Civil Aviation Administration (CAAC) recently issued a circular on checking the identity cards of all domestic passengers and people who want to ship cargo by air.

The checks will begin October 15.

Domestic passengers must have their ID cards checked when they buy plane tickets and go through airport formalities before boarding planes. They will also be required to write their ID numbers on a form when buying tickets.

The freight department of CAAC will also check ID cards when customers deliver cargo.

Those under the age of 16 can use either residence booklets or student identity cards, while people serving in the military and armed police can use their service cards.

Paper Criticizes Advocates of Private Ownership

OW1310094989 Beijing XINHUA in English
0921 GMT 13 Oct 89

[Text] Beijing, October 13 (XINHUA)—The national newspaper "WORKERS' DAILY" today carried a lengthy article headlined, "Is Private Ownership China's Hope?" To refute arguments that "private ownership is the only way for China to extricate itself from its economic difficulties."

The paper said that in the past couple of years advocates of private ownership of economic entities in China were prominent in ideological and theoretical circles. Moreover, some of them, adhering to the trend of bourgeois liberalization, even openly dished out "the manifesto of private ownership—China's hope".

In the first place, the article said, the private ownership advocates go against the historical trend of social development brought to light by Marxism and attempt to block social progress.

In the "Manifesto of the Communist Party" Marx and Engels pointed out, "the theory of the Communists may be summed up in the single sentence: abolition of private property." This is the foundation of Marxist theory.

Under the present circumstances, when China's productive forces are at a relatively low level, public ownership of the economy should be dominant, but private ownership should be allowed to exist and develop in a limited way.

"It must be pointed out, however, that this transitional choice is aimed at meeting the actual level of the productive forces in order to accelerate their development and create the conditions for the eventual abolition of private ownership, and by no means at replacing public ownership with private ownership," the paper said.

If China takes the road of private ownership, it will inevitably lead to turning back the wheel of history as far as social development is concerned.

Second, the advocates of private ownership are in direct contradiction to the historical choice of China to take the socialist road, and negate the reality of socialist politics and economy.

Experience has shown the correctness of China's choice in taking the socialist road. A state power with public ownership as the economic mainstay and based on the people's democratic dictatorship has been established in China. Political equality and personal dignity for all members of society have been secured on the basis of guaranteeing common shares of the means of production for workers. Such social justice could not be achieved under other previous social systems based on private ownership.

If China adopts private ownership, the revolutionary fruits achieved at the expense of the lives of thousands of revolutionary martyrs will be lost; the means of production will be seized by a small number of upstarts; and the overwhelming majority of working people will be consigned to the lowest levels of society again from their position as masters of the country.

Third, private ownership advocates have taken advantage of the drawbacks in the traditional economic structure to negate the nature and superiority of public ownership.

The superiority of public ownership is not only correct in theory but has also been shown by the tremendous achievements China has made in the past four decades.

Of course, the superiority of public ownership has not been fully put into effect owing to some drawbacks in the traditional economic structure. Hence the necessity of the ongoing reforms.

China's reforms are being carried out with adherence to a socialist orientation as a precondition, and are aimed at perfecting public ownership and bringing into full play the advantages of public ownership.

Fourth, the orientation of private ownership is contrary to the development aim of socialism for common prosperity, and it will inevitably lead to polarization and undermine social stability.

If the foundation of socialism—public ownership—is abolished, as advocated by those favoring private ownership, a small number of people will take the fruits of the labors of the majority without payment. As a result, the gap between the poor and the rich will increasingly widen, virtually leading to social polarization.

Moreover, this will reduce workers to the position of slaves of capital again, dampen their enthusiasm and creativity and cause all kinds of malpractices in politics and the economy, and bring about the social evils that modern capitalism can not overcome.

Finally, the paper explained, behind the preaching of private ownership lurks a trap for China which could destroy its hard-won independent international status.

Some capitalist countries have tried hard to preach private ownership to socialist and other developing countries.

The paper concluded that private ownership can only serve to reduce China to dependence on the developed capitalist countries at the cost of losing its independent international status.

Leaders Honor Old People for Service to Society

OW0810152989 Beijing XINHUA in English
1214 GMT 8 Oct 89

[Text] Beijing, October 8 (XINHUA)—About 1,100 Chinese senior citizens were awarded here today for their service to society and more than 850 young people were praised for their respect for the elderly.

This is the first commendation of its kind for the senior citizens of the country in a bid to carry forward the traditional virtue of respecting old people.

The event was sponsored by more than 20 newspapers and magazines and the winners—the oldest 103 and the youngest 15—were selected from throughout the country.

Among the winners are many veteran revolutionaries, specialists, professors and technical professionals who have devoted themselves to the advance of the nation after retirement.

They have offered technological consultations to farmers, taught youngsters, maintained traffic order and contributed other social services.

The young award winners are sons, daughters, sons-in-law and others who have spent decades caring for the elderly.

Speaking at the awards ceremony, Song Ping, member of the Political Bureau Standing Committee of the Communist Party Central Committee, called the whole society to pay attention to the cause related to aging, which he said is part of socialist construction.

Song Renqiong, vice chairman of the Chinese Communist Party Central Advisory Commission, praised the winners' selfless dedication.

Activities like this, Song continued, will help promote respect for the elderly, a traditional virtue of the Chinese people; strengthen the nation's social ethics and quality; and boost the morale of the old.

China has 91 million citizens above 60 years of age. Seventy percent of them are supported by their children. About 50 percent of the country's families have "three generations under one roof."

Five years ago, China set up a National Committee on Aging, and called on society to help old people in various ways.

Tian Jiyun Welcomes Delegations of Model Workers

OW0910045789 Beijing Domestic Service in Mandarin 1030 GMT 26 Sep 89

[Text] State Council Vice Premier Tian Jiyun went to the Beijing Railway Station today [26 September] to welcome delegations from Zhejiang and Heilongjiang which are coming to the capital to attend the national meeting to commend labor models and advanced workers.

At 1130, the No 120 passenger train from Hangzhou slowly rolled to a stop at Beijing Railway Station's No 1 platform. When the Zhejiang delegation, comprised of more than 100 members, left the train, they found a smiling Comrade Tian Jiyun already there extending his hands.

Vice Premier Tian told this station's reporter that he left his home at 1100 today and arrived at the Beijing Railway Station at 1110. The No 1 platform was filled with cheerful talk and laughter. Vice Premier Tian Jiyun shook hands with the national labor models and advanced workers one by one, asking them whether the trip was tiresome and whether they had slept. When the delegates boarded the large limousines and left the station, Vice Premier Tian waved to them, saying with deep emotion: This is going to be a genuine meeting of heroes. The Heilongjiang delegation arrived at the Beijing Railway Station at 1155. Vice Premier Tian Jiyun again stepped forward to shake hands with the delegates.

It has been learned that the delegations to the national meeting to commend labor models and advanced workers will be arriving in Beijing over the next few days. Delegations from Yunnan, Hainan, and Qinghai arrived yesterday, while those from Jiangxi, Gansu, and 12 other delegations will arrive in Beijing today.

Li Tieying Visits Writers Bing Xin, Zang Kejia

OW0710214689 Beijing XINHUA Domestic Service in Chinese 1516 GMT 7 Oct 89

[“Local Broadcast News Service”]

[Text] Beijing, 7 Oct (XINHUA)—Li Tieying, a member of the Political Bureau of the CPC Central Committee and state councillor, recently called on the residences of two senior writers Bing Xin and Zang Kejia.

As Bing Xin's 90th birthday fell on 5 October, a time when the air was heavy with the aroma of osmanthus seeds, Li Tieying brought along a potted osmanthus tree as a birthday present to the writer who was born at the turn of this century. Drinking a toast, Li Tieying praised Bing Xin as a writer of the May Fourth New Cultural Movement and for his dedication to his literary career spanning 7 decades. They chatted about growth of potted flowers inside the house, daily life, and questions of mutual concern, such as education and intellectuals.

Zang Kejia, who observed his 85th birthday today, greeted Li Tieying in his yard this afternoon. His birthday present was a potted kumquat. Warmly shaking hand with Zang Kejia at their first meeting, Li Tieying said he has long been one of the poet's readers. In delight, Zang Kejia recited his newly composed poems, recalled his early revolutionary experience, and talked about his friendship with the older generation of revolutionaries.

Culture Minister He Jingzhi accompanied Li Tieying in paying the courtesy calls on Bing Xin and Zang Kejia.

State Council Awards Honorary Title to Firefighter

OW0810112589 Beijing XINHUA Domestic Service in Chinese 1514 GMT 10 Oct 89

[“Local Broadcast News Service”]

[Text] Beijing, 7 Oct (XINHUA)—The State Council and the Central Military Commission issued an order on 22 September to award Comrade Yan Zhenglian the honorary title of “Firefighting Combat Hero.” The order reads in full as follows:

To the Chinese People's Armed Police Force of the Ministry of Public Security:

The State Council and the Central Military Commission have decided to award the honorary title of “Firefighting Combat Hero” to Comrade Yan Zhenglian, acting leader of Detachment No 1 of the Qingdao Branch of the Shandong Provincial Firefighting Headquarters under the Chinese People's Armed Police Force.

In the struggle to eliminate the extraordinary fire hazard at Huang Dao Oil Reservoir, Comrade Yan Zhenglian laid down his young life for the protection of state property and people's lives. He demonstrated his high political awareness in dedicating himself to the motherland and to the cause of socialism. He also showed his

lofty qualities of working selflessly in the public interest and sacrificing his own interests for others, as well as his revolutionary heroism in waging a valiant struggle and facing danger fearlessly. He made notable contributions to defending socialist modernization, and set a good example for the broad masses of commanders and fighters of the Army and the Armed Police Force. The State Council and the Central Military Commission call on all officers and men of the Army and the Armed Police Force to follow the example set by Comrade Yan Zhenglian in earnestly studying the guidelines laid down by the 4th Plenary Session of the 13th CPC Central Committee; cherishing the party, the people, and the motherland; working faithfully to discharge all their duties; successfully fulfilling all their tasks; and working harder than ever to defend the socialist motherland and promote the socialist modernization program.

[Signed] Li Peng, premier of the State Council

[Signed] Deng Xiaoping, chairman of the Central Military Commission

[Dated] 22 September 1989

Article Views People's Congress System

HK0510123189 Beijing JINGJI CANKAO in Chinese
17 Sep 89 p 4

[Article by Huang Ping (7806 1627): "On the People's Congress System in Our Country"]

[Text] Article 2 of the PRC Constitution stipulates: "All power in the People's Republic of China belongs to the people. The organs through which the people exercise state power are the National People's Congress and the local people's congresses at all levels." This stipulation shows that the people's congress system is the basic political system of our country. Not long ago, when meeting officers at and above army rank from the martial-law enforcement troops in Beijing, Comrade Deng Xiaoping emphatically stressed: "With regard to the reform of the political structure, we should be absolutely sure that what we adhere to is the people's congress system, not the U.S.-style system of checks and balances between three branches of government." Some leading advocates of bourgeois liberalization in our country insist that our country's People's Congress system, which has been established according to the basic principle of democratic centralism, should be replaced by the bourgeois parliamentary system of checks and balances between three branches of government. This view is not only at variance with the national conditions of our country but is also contrary to the fundamental will and interests of the entire Chinese people.

1. The People's Congress System Is the System Most Suitable to China's National Conditions

The People's Congress system is the state organization system most suitable to China's national conditions.

First, the People's Congress system has been established by the Chinese people under the CPC leadership after summing up their experiences in building political power in various revolutionary base areas during different revolutionary periods. For instance, the system of Congress of Workers, Peasants, and Soldiers, which was established in many revolutionary base areas during China's Second Revolutionary Civil War, the system of Assembly, which was established in various anti-Japanese base areas during the war of resistance against Japan, and the system of Conference of People's Deputies of All Walks of Life, which was established during China's liberation war, are all the specific forms of people's revolutionary power established and developed in the past many years of revolutionary wars. All these specific forms of people's revolutionary power had provided us with invaluable experiences in implementing the People's Congress system on the Chinese mainland after the founding of the PRC. In 1953, on the basis of the elections held at the grassroots level on the Chinese mainland, China established the people's congresses at all levels. In 1954, the implementation of the PRC Constitution, the NPC Organization Law, and the Local Organization Law marked the official implementation of the People's Congress system in China. All the revised editions of the PRC Constitution have reaffirmed the implementation of the People's Congress system. Therefore, although the People's Congress system, like the Soviet system, the system of Conference of People's Representatives, the system of People's Delegation, and the State Organization System in various other socialist countries, has made use of the experiences of the Paris Commune, it also has its own characteristics.

Second, the People's Congress system is the state organization system most suitable to the nature of our state, which is characterized by the people's democratic dictatorship. We all know that a ruling class which controls the state power cannot represent the state, realize its class will, safeguard its interests, and oppose its enemies if it does not possess a suitable state organization form. The PRC is a socialist state established on the basis of the people's democratic dictatorship led by the working class and on the basis of the alliance between workers and peasants. In our country, the people are the masters of our country and have the right to administer the state affairs. The NPC and the local people's congresses at all levels are the power organs which exercise the right to administer the state affairs on behalf of the people. According to the PRC Constitution and Electoral Law, the NPC and the local people's congresses at all levels are formed by people's deputies elected in a democratic way and through democratic procedures. Once they are formed, the NPC and local people's congresses at all levels begin exercising the state power on behalf of the people and making decisions concerning all the major national and local affairs. In the course of exercising the state power on behalf of the people, the NPC and the local people's congresses at all levels should be responsible to the people, submit their work reports to the people, and accept people's supervision, while the people

have the right to remove from office the unqualified deputies they have elected to the NPC and the local people's congresses at all levels. With the implementation of the People's Congress system, the positions and interests of people of various social strata can be correctly tended by the state. This will encourage the people and the masses to participate in the state administration so as to realize the leadership of the working class over the state, consolidate the alliance between workers and peasants, unite all the patriotic forces, develop the socialist democracy, effectively fight against our enemies, and exercise the people's democratic dictatorship over the enemies. Therefore, without the People's Congress system, it would have been impossible for China to become a socialist state under the people's democratic dictatorship and it would have been impossible for the Chinese people to become masters of our country.

The People's Congress system differs fundamentally from the bourgeois parliamentary system in the following aspects: 1) They are of different class natures. The former is of the class nature of a state established on the basis of the people's democratic dictatorship and thereby serves the purpose of the people's democratic dictatorship, whereas the latter is of the class nature of a state established on the basis of the bourgeois dictatorship and thereby serves the purpose of the bourgeois dictatorship. 2) They follow different principles regarding their organizations and activities. The former organizes and carries out its activities in accordance with the principle of democratic centralism and the principle of unity between discussion and implementation, whereas the latter organizes and carries out its activities in accordance with the principle of "checks and balances between three branches of government." 3) Political parties carry out their activities in different ways under the aforementioned two different state organization systems. The former implements the system of multi-party cooperation under the CPC leadership, that is, the CPC is always the core of leadership under the former state organization system, whereas the latter implements the system under which two or more major political parties administer the state in rotation. From the above analysis, we can see that the bourgeois parliamentary system cannot conform to China's national conditions.

2. The People's Congress System Is China's Basic Political System

The People's Congress system is China's basic political system. This is because: First, the People's Congress system directly reflects the nature of our state, guarantees that people of all walks of life, all nationalities, and in all areas in our country can have their deputies participate in the state administration and guarantees that the people of all nationalities of our country are the masters of our country in our country's political life. Second, the NPC and its Standing Committee formulate state laws and various rules and regulations and are therefore the supreme power organs of our state. Third, the People's Congress system reflects our country's overall political life, whereas the other systems of our

state (such as the judicial, taxation, financial, cultural, educational, and military systems and other pertinent systems of our state) each reflect only a certain aspect of our country's political life. Fourth, the People's Congress system is the basic form through which the people can exercise their powers and rights as the masters of our country and implement the socialist democracy. Fifth, the NPC and the local people's congresses at all levels are established after democratic elections are held, are responsible to the people, and are supervised by the people. On the other hand, the state organs, such as the administrative organs, judicial organs, procuratorial organs, and military organs, which are instituted by the NPC and the local people's congresses at all levels, are responsible to and are supervised by the NPC and the local people's congresses at all levels. Since the People's Congress system is the basic political system of our country, we should unswervingly safeguard its position and dignity and resolutely oppose all the remarks and behaviors aimed at undermining its position and harming its dignity. In the meantime, we should clearly understand that only by closely relying on the People's Congress system will we really be able to enable the People's Congress system to play its role in our state life.

Due to the "left" mistakes made by our party in its guiding ideology and the wanton trampling by the Lin Biao Clique and the "Gang of Four," the organization building of the People's Congress system was once seriously hampered. As a result, for a time, the People's Congress system could not fully play its role in our country. Since the 3d Plenary Session of the 11th CPC Central Committee, our party and our state have adopted a series of effective measures aimed at further establishing and perfecting the People's Congress system and turning the People's Congress system into a really effective form through which people can become real masters of our country so as to exercise the state power. Especially, on the basis of summing up China's experiences in political power building over the past many years, the current PRC Constitution now offers a series of new provisions aimed at perfecting the People's Congress system. The main characteristics of the current PRC Constitution are: First, the NPC has been organizationally strengthened. So far, the NPC has set up its Nationalities Committee, Law Committee, Financial and Economic Committee, Education, Science, Culture, and Public Health Committee, Foreign Affairs Committee, Overseas Chinese Committee, Internal and Judicial Affairs Committee, and some other pertinent specialized committees. The establishment of these specialized committees under the NPC has made things much more convenient for the NPC to organize its deputies to participate in its legislative work and other types of work. Second, the functions of the NPC Standing Committee have been enlarged, and the NPC Standing Committee has been organizationally strengthened. As a result, even when the NPC is not held, all the important state affairs can still be handled by its Standing Committee. In order to meet the urgent needs of the building of the four modernizations in our

country, some of the functions and powers originally belonging to the NPC have now been transferred to the NPC Standing Committee. In particular, the NPC and the NPC Standing Committee can now jointly exercise the legislative power. This has enabled the NPC Standing Committee to carry out routine legislative work when the NPC is not held, thus greatly accelerating the pace of the building of the socialist legal system. Third, the local people's congresses at and above the county level have already set up their standing committees. This has enabled the local state power organs at and above county level to fully play their role and supervise the work of other state organs. Fourth, all the provincial people's congresses and their standing committees, people's congresses in the cities which are provincial capitals and autonomous regional capitals and their standing committees, and the people's congresses and their standing committees in relatively big cities approved by the State Council now have the power to formulate and promulgate local laws in cases where the Constitution, laws, and administrative rules and regulations contradict one another. This has enabled the local people's congresses at all levels to adopt measures in the light of their local conditions and fully develop their creativity and enthusiasm. Fifth, the organization system of all the central state organs has been further perfected. For instance, the post of the State President has been restored. The Central Military Commission has been set up. The premier responsibility system has been implemented in the State Council. All these latest developments are conducive to the rational division of work among various central state organs and to the improvement of the administrative efficiency of all the central state organs. Sixth, the system separating the functions of the people's government from the functions of the people's communes has been implemented. The state power at township level has been restored. The building of state power at the grassroots level in the rural areas has been strengthened. The building of autonomous organs in the autonomous regions and areas inhabited by ethnic minorities has been stepped up. All these latest developments have politically and organizationally further ensured that the state power is controlled by the whole people and have made our country's state organs established on the basis of the People's Congress system more in accordance with the needs of the building of the socialist modernization in our country.

3. The People's Congress System Possesses Unparalleled Superiority

That the People's Congress system follows the principle of democratic centralism demonstrates that in our country, all powers belong to the people. The people elect their deputies who form the people's congresses at all levels, which in turn exercise the state power on behalf of the people, are responsible to the people, and accept the people's supervision. The people have the power to remove from office unqualified deputies they have elected and elect new deputies to the people's congresses at all levels. The state administrative, judicial, procuratorial,

and military organs are instituted by the people's congresses at all levels, are responsible to the people's congresses at all levels, and are supervised by the people's congresses at all levels. The implementation of the principle of the state organs at lower levels submitting to the state organs at higher levels and the local state organs submitting to the central state organs has at once guaranteed the unified leadership of the central authorities and given full play to the enthusiasm of various localities. Therefore, compared with the bourgeois parliamentary system which follows the principle of checks and balances between three branches of government, the People's Congress system possesses unparalleled superiority.

First, the People's Congress system is conducive to attracting the people and the masses to participate in the state administration. In our country, except those who have been deprived of their political rights in accordance with the law, all the citizens at and above the age of 18, irrespective of their nationality, race, sex, occupation, family background, religious belief, education standard, property status, and length of residence, have the right to vote and to stand for election. In all the previous elections held in China, more than 99 percent of the Chinese citizens who had the right to vote voted in the elections. Moreover, when elections are held in our country, the voters can vote of their free will in the elections free from any pressure, threat, and oppression by any political groups. Through their participation in the elections, the people of the whole country directly participate in the state administration. Through these elections, the representatives of various democratic parties and people of various social strata, nationalities, and occupations are elected to the people's congresses at all levels so that they can participate in the state administration on behalf of the people. The people's congresses at all levels are the most democratic organizations of a mass character, which are capable of attracting the majority of the people and masses of our country to participate in the state administration. Therefore, the People's Congress system is the best political system capable of giving full play to the inexhaustible wisdom and creativity of the people and the masses.

Second, the People's Congress system is conducive to "unifying discussion with implementation." The people's congresses at all levels exercise their legislative power, power of appointment and dismissal, power of recall, power of making decisions on major issues, and power of supervision. Moreover, the people's congresses at all levels also carry out regular examination and supervision of the performances of the people's governments, people's courts, and people's procuratorates at all levels to ensure that they strictly abide by the Constitution, laws, and regulations and that all the resolutions adopted by the people's congresses at all levels be implemented without delay. As for the deputies to the people's congresses at all levels, on the one hand, they should take part in the discussion of the state affairs at the people's congresses at all levels; on the other hand, they should fulfill their responsibilities and supervise the implementation of the laws, decrees, and resolutions adopted by

the people's congresses at all levels. The People's Congress system which is capable of organically "unifying discussion with implementation" is superior to the bourgeois parliamentary system under which members of parliament often lose contact with reality and make empty talk in the parliament, and the legislative, judicial, and executive organs often dispute over trifles, slander one another, and are irresponsible to the people, and the people's supervision of the state organs is out of the question.

Third, the People's Congress system not only guarantees the unified leadership of the central authorities but also gives full play to the enthusiasm and creativity of various localities. The central authorities and the local state organs must perform their functions according to the principle of accepting the unified leadership of the central authorities and giving full play to the initiative and enthusiasm of the local state organs. Under the People's Congress system, the supreme power organ is empowered to revise the Constitution, formulate laws, and make decisions on all the major state affairs. Other state organs must strictly observe and carry out the decisions made by the supreme power organ. The State Council is the supreme executive organ in China. The local executive organs at all levels must accept the leadership of the State Council. It is obvious that China's legislative power and executive power are vested in the central authorities. The local executive organs at all levels must ensure the strict observance and fair implementation of the Constitution, laws, administrative rules and regulations in their areas and are empowered to make decisions on all the major issues. The power organs at the provincial level, the power organs in the cities which are provincial capitals or autonomous regional capitals, and the power organs in the relatively big cities approved by the State Council have the power to formulate local laws and regulations. The autonomous organs in the autonomous regions or areas inhabited by ethnic minorities exercise the power of autonomy in accordance with the Constitution, the Law of Autonomy of Ethnic Minority Regions, and other pertinent laws and regulations. The special administrative regions exercise the power of supreme autonomy in accordance with the Constitution, the basic laws of the special administrative regions, and other pertinent regional laws and regulations. All these important stipulations guarantee the centralized and unified leadership of the central authorities and are thereby conducive to bringing into full play the enthusiasm and initiative of the local power organs. Although the central power organs and the local power organs in the capitalist countries are of the same class nature, since they have been established on the basis of the system of private ownership of production means, the capital centralization, capital competition, and the life-and-death struggle among various financial groups in the capitalist countries will inevitably find expression in the capitalist political system under which the central faction and the local faction and the various other bourgeois factions are constantly engaged in fierce contentions and endless disputes.

Here, it should be emphatically pointed out that the correct leadership of the CPC is the key to bringing into full play the superiority of the People's Congress system. Our country's historical experiences in building political power show that only under the correct leadership of the proletarian political party will the state power organs be able to adhere to the correct orientation and become organs truly representative of the people's will. In our country, any act or tendency aimed at weakening or abolishing the correct leadership of the CPC will inevitably hinder the People's Congress system from playing its role and even deprive the People's Congress system of its character of people's democratic dictatorship. Therefore, consolidating and strengthening the CPC leadership is vital to the continued development and perfection of the People's Congress system.

Before the "Great Cultural Revolution," the People's Congress system had in the main played a positive role in China's political life. Due to historical, realistic, ideological, theoretical, and practical reasons, the People's Congress system failed to demonstrate its superiority in practice for some time in the past. Nonetheless, there is no denying the fact that since the 3d Plenary Session of the 11th CPC Central Committee, the People's Congress system has resumed all its normal activities, witnessed rapid development, and played an increasingly important and positive role in our country's political life. Now the NPC and the local people's congresses at all levels have become authoritative organs through which the people exercise their rights and powers in their capacity as masters of our country. I am convinced that under the correct leadership of the CPC, the People's Congress system, which is the basic political system in China, will certainly be further established and perfected and will doubtlessly play an even more important role in China's political life.

Article Warns Against Sex Trend in Culture

HK1110120789 Beijing RENMIN RIBAO in Chinese
3 Oct 89 p 6

[Article by Jiang Zhaoxiang (5592 0340 4382): "Going Stark-Naked to an Abyss—On Liu Xiaobo's Irrationalist Aesthetics"]

[Text] In reviewing our literary and artistic creation work and our theoretical exploration work over the past few years, we should not fail to see that a very dangerous tendency has existed in our literary and artistic circle and our theoretical circle over the past few years. Some people have laid undue stress on the sense perception, intuition, and subconsciousness of human beings and ignored the normal rationality of humanity. These people have also turned to regard literary and artistic exploration of the inner world of humanity as a nonideological manifestation at a low level, regard instinctive desire of humanity as the sole motive force and source of human life, regard the irrational and unbridled instinct of living beings as the universal human nature. As a

result, these people have landed themselves in the predicament of antirationality, antiethics, and anticivilization irrationalism. The book "Going Stark-Naked to God" is one of the antirationalist "masterpieces" written by Liu Xiaobo (Please see "MINGZUO XINSHANG (0682 0155 2946 6339)," Volume 4, 1986, quotations hereinafter from the same source). In Liu Xiaobo's view, since human nature is the human animal instinct. Therefore, all human evils are generated by the greedy and instinctive desire of humanity. There is virtually no need for humanity to pretend to talk about civilization and ethics. What human beings should do is to take off their rationalist garb, and walk stark-naked in their animal form toward God. Only by doing things in this way will humanity be really able to approach God and advance toward the world of absolute freedom! Well said! Nonetheless, this is not a truth but an absurd conclusion drawn under a correct premise.

It is true that humanity might be sinister, cunning, and cruel. The well-known monologue by Hamlet did not affirm and praise humanity, but doubted and negated human rationality on the basis of the exposed hideous human nature. Nevertheless, so long as the entire history of humanity is not a tragedy, the tragedy of Hamlet should not be interpreted as the tragedy of the entire humanity. Instead, the humanity should learn something and get some sort of enlightenment from the case of Hamlet so as to establish its own value. However, Liu Xiaobo has come to a conclusion contrary to this one. He believed that "human beings are not rational animals in nature, but emotional animals in nature" and held that "rationality, ethics, and conscience are nothing but the fig leaf Adam and Eve used to cover their nude bodies and their shame" and that "one of the major functions of human civilization is that human civilization can be used as a fig leaf." What a pitiful fig leaf! According to Liu Xiaobo, human rationality, ethics, conscience, and civilization are so valueless that they can only be used as an instrument and a means to "cover the "original nature" of humanity. The "most vicious force" comes from the "most deep-rooted original nature" of humanity. Thus human rationality and the beautiful flower nursery established on human rationality are just the shelters for human vices. A man of insight could well expose the hypocritical and fraudulent nature of the vicious force that tries to cover its viciousness with human civilization. Nonetheless, Liu Xiaobo has lumped together good and bad, noble and mean, and the holy and pure Adam and Eve and the vicious and mean Mr and Mrs Macbeth, who are deemed to have made love and killed people behind the same fig leaf and possessed the same rationality because they are emotional animals that had tried to seek satisfaction of the emotional needs of their "original nature." If so, there would be no difference between good people and bad people and between honest people and dishonest people. Then what is the value of human civilization which has pushed ahead with the development of the world history? Such cynical irrationalism has denied the fact that humanity is an organic and living entity which consists

of both perceptual force and rational force and has deprived the human nature of its rational and ethical forces that determine the very value of human life. As a result, the only component part that remains to be affirmed in the human life system is the animal force determined by the animal instinct of humanity. The ruthlessness and greed of Shylock and the fatuousness and selfishness of King Lear have all become the most lovely manifestations of human nature. In the words of Liu Xiaobo, "this is the human nature, the original human nature constrained by rationality." Such a theory of "original human nature" has actually obscured the fundamental difference between human beings and animals, lumped together human beings and animals, and denied the fact that the history of human civilization over the past several thousand years is a history of humanity's struggle against brutality, ignorance, and fatuousness. It is crystal clear that this is an absurd and stupid theory.

In order to look for a theoretical basis for his irrationalism, Liu Xiaobo has transplanted Sigmund Freud's theory of "Triple Human Character Structure." However, when discussing the rational core of Sigmund Freud's theory, Liu Xiaobo took a surprising step backward and completely disintegrated the entire theoretical structure of Sigmund Freud. Liu Xiaobo made unreserved efforts to negate the "superego" force of human nature, regarded the "original human nature" determined by human subconsciousness as the sole motive force of human life, held that "subconsciousness is always full of life, adventurous spirit, and rebellious spirit. Whether a man's life force is strong, plentiful, and profound or not is fundamentally determined by his subconscious psychology." We all know that a man's subconsciousness is determined by his instinctive desires. The "original human nature" or "profound human nature" mentioned by Sigmund Freud are nothing but the personification of such instinctive desires of human beings, "which are of a primitive and irrational nature" and "whose sole content is human impulse (Please see "JING SHEN FEN XI YIN LUN XIN BIAN [4737 4377 0433 2649 1714 6158 2450 4882]," quotations hereinafter from the same source). "The superego human nature represents all the human ethical restrictions aimed at pursuing perfect human impulse and lofty human behaviors." If the "original human nature" is free from the supervision of "superego human nature" and the "human self-protection nature," humanity cannot survive for a single day. This is because should that happen, the instinctive desires of humanity would be contained by a strong external force. Should human beings do what they like to do and act according to their subconscious instinctive desires, for instance, if a man who sees a young girl, tries to have his way with the young girl, it would be strange if they would not be severely punished! In such cases, it is the "human self-protection nature" that will prevail. Sigmund Freud said: "The self-protection human nature provides external information to human beings so as to save human beings from danger. Otherwise, in order to satisfy

their instinctive desires, not knowing the strong external force, human beings would do what they like and would eventually be destroyed." "The self-protection human nature represents rationality and prudence whereas the original human nature represents untamed human passions." This shows that the "original human nature," "self-protection human nature," "superego human nature" and "rational and perceptual forces" are interdependent and indivisible. Therefore, laying undue stress on the animal nature of humanity and raising the animal nature of humanity to a high plain will only lead people to danger.

In Liu Xiaobo's view, all the activities of humanity proceed from the instinctive desires of living beings and the selfish nature of humanity. No one in the world can overstep this inescapable "strange circle." In his article, Liu Xiaobo made the following eloquent but ambiguous remarks: "The sacred love is based on sex and physical need and desire while the lofty patriotism is based on the immediate interests of each and everyone. Self-love is the basis of all types of love while the glorious essence of respectable creation is the desire to own, control, and enjoy everything." We do not deny that there is a certain unity between psychological needs and physical needs, between lofty spirit and individual interests, and between creative activities and material pursuit, all of which represent two aspects of a contradiction. Physical needs, individual interests, and material pursuit are often the point of departure for psychological needs, lofty spirit, and creative activities, but are not the constant and sole motive force. Love is a psychological need whereas sexual desire is a physical need. Very often, love is caused by the sexual attraction of the opposite sex. For instance, when Baoyu met Daiyu [hero and heroine in the novel "Dream of Red Mansion"] for the first time, he was immediately attracted by Daiyu who was mysteriously attractive to him. Regarding sexual love, sexual satisfaction and fulfillment of sexual desire are the purpose of sexual love. Relations between male and female are based on sex. However, Sigmund Freud believed: "It is not difficult for instinct to change the relations between goal and target." "A change in the relations between goal and target is of a certain social value. The most special change in the relations between goal and target can be called 'sublimation.'" "For instance, love belongs to this type of special change, for it is based on sexual desire and often prohibits sexual satisfaction." In consequence, "love gives rise to a long-term inclination and a long-term attraction." This is the lofty and pure love of humanity, which is based on sexual love, but eventually goes beyond sexual love. Finally, two souls will join together to produce a high-level human love between male and female. Only this type of love can really reflect the lofty human nature and can enable two human beings to be loyal to each other, love each other, and spend a lifetime together with each other, for this type of love can generate a strong internal attraction between the two human beings. Only this type of love can realize a great sublimation which is not solely based on the fulfillment of physical and organic desires.

Only this type of love is really free from the influence of money, status, fame, and vanity and therefore can realize the real social value of humanity. Patriotism is no doubt a type of lofty sentiment. Patriotism is probably based on concern for the immediate interests of individuals. This is why when the state interests or national dignity are encroached upon, the people of divergent classes and social strata can unite together to make concerted efforts to fight against foreign aggressors. However, according to Sigmund Freud, under certain conditions, human beings instinctively protect themselves. This is called "withdrawal from target," which means that although "there is a clear target," human beings often "give up their desire to attain the target" in order to protect themselves. Encouraged by the nationalist sentiments, life can generate a strong spiritual force under extremely dangerous and difficult conditions. Under such circumstances, human beings will no longer regard survival as their goal. Patriotism is not bound up by the relations based on individual interests. Patriotism enables people to sacrifice themselves. In the history of China, there were well-known national heroes like Qu Yuan who tried in vain to convince the emperor and finally drowned himself in Gu Luo River, Wen Tianxiang who fought numerous battles in his life, tried in vain to convince the emperor, but was respected and loved by the people, and Shi Kefa who commanded his troops to defend Meihualing until his death. All these examples show the sublimation of patriotism. Regarding creation, as far as the principal body of creation is concerned, the original motive force for the creation process is the utilitarian relations. Nonetheless, just like love and all types of lofty spirit, creative activities themselves can also go beyond the pursuit of materials gains so as to realize selflessness. It is because of this reason that there have been a large number of heroes and outstanding people who have sacrificed themselves in order to benefit their later generations. In an ancient Greek fairy tale, Prometheus bravely stole fire for humanity and was finally ruthlessly killed. Prometheus can be regarded as a great creator. Giordano Bruno was burned to death for seeking astronomical truth. Mrs Curie discovered a huge treasure for the humanity but refused to accept any patent granted to her. Did these people ever try to gain something for themselves? Ironically, the emperors who once "owned, controlled, and enjoyed everything" finally had to die with their empires whereas the outstanding scientists, inventors, writers, artists, philosophers, who had once made invaluable contributions to the humanity, have gone down in history and are still remembered by the present-day generation. Can we explain their glorious achievements and great spirit of exploration with the so-called human instinctive desire of owning everything? If these creators of material civilization and spiritual civilization simply tried to satisfy their instinctive desires, they would not have chosen to go to jail, endure severe physical punishment, and to be burned to death. Can we use the instinct of living beings to explain all these? Human beings are not animals after all. The spirit, will, feelings, and behaviors of human beings are always restricted by society, controlled by their own reason, and

guided by their own will. How can we say that the spirit, will, feelings, and behaviors of human beings are solely controlled by the illogical, irrational, and unconscious subconsciousness of humanity, which is determined by the instinctive impulse of humanity?

The prevalent irrationalism is in essence an extreme historical idealism. Liu Xiaobo time and again stressed that "the viciousness of human subconsciousness is where human nature is based." The human sexual instinct and human desire of owning everything is the "real motive force propelling the development of humanity and giving rise to the emergence and existence of human civilization." According to this logic, those with a strong subconscious psychology, "a strong desire of owning," and "a powerful destructive force" have stronger life-force, can push ahead with the development of humanity, and are under a stronger "human motive force" in creating human civilization. If so, vicious lascivious people like Xi Mengqing, Wang Xifeng, Ge Langtai, and Shylock should have been regarded as the great representatives of the true "human motive force," should they not? According to Liu Xiaobo's logic, all these vicious historical figures should have been regarded as the motive force of human development and as the very force propelling the development of human civilization whereas those with lofty ideals, who have truly reflected the force of human nature by promoting the development of humanity and the development of their nations and countries with their own wisdom, courage, ideals, enthusiasm, beliefs, and moral integrity and bravely fighting against all the vicious forces, should have been regarded as "gentlemen" who "tried to maintain a type of inhuman superficial harmony by restricting human instinct with rationality" and as "inhuman" and vicious ruffians. Such a reversed logic not only runs counter to the Marxist historical materialism but also runs counter to the rational sense of humanity.

Under the influence of pessimism, it is only natural that Liu Xiaobo has drawn such an irrationalist aesthetic conclusion: Since humanity cannot fully satisfy all their instinctive desires in real life, humanity can only "embrace its formidable enemy in its appreciation of the beautiful so as to discover, demonstrate, and experience such excitement in life in the course of its appreciation of the beautiful in a horrible, hopeless, and desperate manner." Thus it is quite reasonable that "the evil determined by the rational often becomes the most attractive focus in the human appreciation of the beautiful." Such an aesthetic view has resulted in the formation of the irrationalist literary view. In another article, Liu Xiaobo said: "In my literary view, rationality is out of the question. The intervention of any rational factors in literature will inevitably jeopardize the purity of literary appreciation of the beautiful to a certain extent. As a result, we would not be able to talk about the unity between the perceptual and the rational in China." "In our intercourse with the traditional culture, we must lay particular stress on things which are perceptual, irrational, instinctive, and physical." (Please see article

entitled "Crisis, the Crisis Faced by Literature in the New Historical Period," which was published in "SHENZHEN QINGNIAN BAO" on 3 October, 1986). In the upsurge of irrationalism, can we find another school of irrationalism, which is more undisguised, thorough-going, and appalling than Liu Xiaobo's? As a matter of fact, according to Liu Xiaobo's logic, greed, deceit, murder, robbery, and adultery should be the "focus" of human appreciation of the beautiful. Only from "horror and desperation" can humanity embrace its formidable enemy of human instinct. Only from the images of robbers, scoundrels, criminals, and bandits can humanity satisfy its "subconscious desire which is forever active and alive." According to such a logic, our literary and artistic creation should not focus on such lovely images of rationality as Portia who defeated vicious Shylock with law and wisdom, the sober-minded MA SI LUO WA (3854 4828 3157 1216) who reasonably refused a gift from the vicious NIE HE LIU DAO FU (5119 6378 3966 6670 1133), Mr and Mrs Liu Lanzhi who fought against feudal traditions with their lives, and other images integrating both the perceptual and the rational, who are kind, brave, and full of vitality. If so, our sacred palace of literature and art would become a dirty and dark place. What else can we expect? This is exactly the irrationalist logic. This is not a casual view expressed on impulse. This is a view representative of an extremely reactionary ideological trend. The core of this view is to oppose literature's function of moral purification, the justice-holding and people-representing character of literature, the socialist orientation of our literature and art, which demands literature and art to serve the broad masses of the people, and the Marxist guidance over literary and artistic creation. Under the influence of this ideological trend, movies depicting sex, articles describing illogical and subconscious reflections, books on instinctive impulse, primitive nature, and withered spiritual vigor of humanity, and books on various sexual phenomena: sexual depression, sexual indulgence, unbridled sexual behavior, illicit sexual relations, sexual ownership, triangle sexual relations, abnormal sex, sexual revenge, multidimensional sexual relations, sexual recognition and transfer, sex religion, sex symbols, and so on have emerged in large quantities in our country. For a time, sex became the most popular topic in some of our literary and artistic works. This is the so called "stark-naked" image. Such literary and artistic creation can do nothing except publicize the primitive human desire, illicit human behaviors, and other crazy social phenomena in the capitalist society. Should such ideological trends be allowed to develop unabated, we would certainly fall into the abyss of human crimes instead of going to a paradise.

Regulations Prohibit Public Funds for Banquets

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["Local Broadcast News Service"]

[Text] Beijing, 28 Sep (XINHUA)—Regulations of the General Offices of the CPC Central Committee and the State Council Concerning Prohibition of Use of Public Funds on Banquets in Carrying out Domestic Official Activities and Concerning Working Meals.

(18 September 1989)

In accordance with the guidelines of the "Decision of the CPC Central Committee and the State Council To Accomplish a Few Things Which are of Common Concern Among the People in the Near Future", the following regulations are formulated to address the issues of working meals and of strictly prohibiting the use of public funds for feasting in carrying out domestic official activities:

I. Personnel of party and state organs at all levels (including retirees) are strictly forbidden to spend public funds on feasting in any form while conducting various official activities in China. The official activities may be some higher authorities visiting a department at a lower level (including enterprises and public institutions) to review its work, give guidance, or do research and surveys; departments at the same level or different localities exchanging official contacts or visits for the purpose of learning from each other; or cadres being transferred to another posts and other activities.

II. Personnel of party and state organs on trips outside of their towns or cities to perform the above-mentioned official duties, when needing to dine in quarters in which they are staying, should buy their own meal tickets or pay for their own meals and apply for reimbursement upon return to their units.

III. Personnel of party and state organs who cannot go home or return to their units for meals or who are on official trips to other places and cannot return to the quarters in which they are staying for meals because of official business can dine in the mess halls of the reception units or have working meals provided by the reception units. Working meals should be meals separated from others, which means that generally there should be no accompanying diners at such working meals.

Working meals must not include expensive dishes or cigarettes and liquor bought with public funds. The cost of a working meal is to be determined by various provinces, autonomous regions, and municipalities in line with their local conditions and be reported to the Finance Ministry for the record.

Personnel who have working meals must pay for the food in accordance with local regulations.

IV. Any violation of the above regulations is considered violation of discipline. Discipline-violation units will be responsible for tracing and retrieving from the diners the public funds spent in such violations. The units that violate the regulations and the persons that approve the use of public funds in such ways will be handled in

accordance with the "Provisional Regulations of the State Council Governing Punishment for Violation of Financial Laws and Regulations." Party members who make such violations shall be handled in accordance with party discipline at the same time. Party committees and governments of various provinces, autonomous regions, and municipalities may draw up specific measures in line with local conditions and report them to the Ministry of Finance, the Ministry of Supervision, and the Central Discipline Inspection Commission for the record.

V. Discipline inspection organs in various localities, departments, and units, and under the party at various levels as well as administrative supervision departments are responsible for overseeing the implementation of these regulations. Individuals and departments who violate the regulations and refuse to implement the decisions of the party's discipline inspection organs and the administrative supervision departments on handling their cases will be punished in accordance with party and political discipline. For finance personnel who close their eyes to wining and feasting on public funds but attack and make reprisals against those who uphold their principles and refuse to violate the discipline or who report on such violations, they and the responsible persons of their units will all be punished in accordance with party and political disciplines. Those who also break the criminal law will be handled according to the law.

Personnel who violate these regulations and should be punished in accordance with party and political disciplines will be handled according to the procedures governing the authorities over the management and punishment of cadres. The discipline inspection organizations of the party and the administration supervision departments also may handle such cases directly.

VI. All meetings held by the party and state organs at various levels shall be managed in line with the above guidelines.

VII. These regulations are applicable to party organs, state organs, mass organizations, public institutions, and companies with administrative functions at all levels. Enterprises of public and collective ownerships should also follow these regulations. Feasting activities involving foreigners or foreign institutions shall be handled in accordance with existent regulations.

VIII. These regulations shall go into effect on the day of their promulgation. Party committees and people's governments of various provinces, autonomous regions, and municipalities may formulate implementing rules on the basis of these regulations. In cases of conflict between the regulations promulgated in the past and these regulations, these regulations shall prevail.

CPC To Strengthen Rural Village-Level Organs

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10 Oct 89 p 1

[By staff reporter Qin Xiaoli]

[Text] In a major move to strengthen its massive grass-roots structure, the Chinese Communist Party will strive over the next six months to fortify its numerous rural organs at the village level.

This effort is aimed at ensuring the sound development of party-building throughout the countryside.

The party has half of its members, about 25 million, in rural areas. Party members account for 3.2 per cent of the rural population compared with 0.55 per cent in the early 1950s, according to the party Central Committee's Organization Department.

Li Jingtian, head of the rural affairs office with the department said a survey of the grassroots party branches earlier this year indicates that 30 per cent of the branches were strong and functioning well; another 60 per cent were considered adequate. The remaining 10 per cent were rated weak.

"We will concentrate on upgrading backward branches by providing training courses to local party secretaries," said Li. "In cases where a village cannot produce a qualified party secretary, county and township party committees may send staff members to work in villages to help work there or to act as village party secretaries."

"The 1.3 million rural branches of the party function as the core leadership in villages," Li continued, "not only in terms of political orientation but also in terms of economic and cultural development."

The main task the party Central Committee gives to rural branches at present is the maintenance and improvement of the family contract responsibility system and, the gradual strengthening of the collective economy, he said.

Some party secretaries are also presidents of village-run industrial and commercial enterprises.

Further, rural party branches are expected to provide farmers with a rich cultural life and to educate them to stick to the socialist road.

"Because the general education level of Chinese farmers is low," Li said, "they don't know how to properly spend their money when their hard efforts make them rich. So, party branches must lead farmers to build a healthy spiritual life."

Quality

"I think the achievements of New China would not be possible without the efforts of rural party branches which

range from encouraging farmers to sell grain to the state, to implementing the state family planning policies," he said.

One of the most important tasks in party building in rural areas is raising the quality of party members, he said.

A party building conference in 1984 pointed out that the party must check the political consciousness and education level before accepting applicants.

At present, 40.7 per cent of party members in rural areas have had middle school education or above, and 46 per cent of them have had primary school education. The rate of illiteracy among rural party members has dropped from 16.7 per cent in 1983 to 13.3 per cent now.

"Most of the illiterate party members are old ones who joined the party early," Li explained.

Education, Training of Civil Servants Increased

OW0710212989 Beijing XINHUA in English
1101 GMT 7 Oct 89

[Text] Beijing, October 7 (XINHUA)—Education and training for civil servants has developed rapidly in China over the past four decades, the "GUANGMING DAILY" reports today.

When New China was founded in 1949, 80 percent of the population were illiterate, and civil servants had to be selected from among people who had only primary or junior middle schooling.

According to official statistics in 1954, China had 4.8 million civil servants. Of that number, only seven percent had received higher education, 15 percent had attended senior middle school or technical school, and 78 percent had only primary or junior middle schooling.

Through consistent education and training over the past 40 years, 8.61 million of the 30 million civil servants now have higher education, 25 times more than in 1954, and 14.43 million, or 20 times more, have senior middle or vocational schooling. Civil servants with less than junior middle schooling account for 24 percent, compared with 78 percent in 1954.

Party schools, special institutes and colleges for the training of officials jumped from 1,500 in 1954 to 5,313 in 1988. Those schools have 90,000 teachers and 1.39 million on their rolls.

In addition, more than 500 institutes of higher learning and 1,000 vocational schools are training officials, while television and correspondence courses and spare-time training have been popular.

The training of civil servants has been upgraded and diversified in the past decade. For example, the Ministry of Construction, the Organization Department of the party Central Committee and other departments have

jointly sponsored workshops for mayors and vice-mayors. Over 600 decision makers of Chinese cities have attended the workshops.

Special training centers have also been opened for managers and directors of industrial enterprises, officials in charge of economic planning and rural officials.

Science & Technology

Atmospheric Research Laboratory Gains New Status

OW1310000889 Beijing XINHUA in English
1538 GMT 12 Oct 89

[Text] Beijing, October 12 (XINHUA)—The Open Laboratory of Atmospheric Research of the Chinese Academy of Sciences was promoted to national status today after a two-day evaluation here.

The 17-member evaluation group, directed by leading atmospheric scientists Gao Youxi, Xie Yibing, and Ye Duzheng, unanimously reached the decision after inspecting the research work, staff, and management of the laboratory.

With its rise in status and national funds to install faster computers, members of the evaluation group said, the laboratory could be expected to become "one of the great research centers in atmospheric sciences in Asia and the world."

The laboratory of numerical modeling for atmospheric sciences and geophysical fluid dynamics (LASG), as it is called, opened in 1985. Its research in the atmospheric adjustment process, atmospheric circulation, forecasting of severe weather, and the relationship between agriculture and weather disorder has drawn worldwide attention.

In recent years, LASG has published some 100 research papers of the most advanced standard and has exchanged scholars and research results with institutions in the United States, Britain, Japan, Federal Germany, and many other countries. It is also attracting more and more talented young and middle-aged scientists in China.

Scientists at the laboratory say that atmospheric science is one of the most important disciplines, now that environmental problems are growing more serious.

An official of the State Planning Commission said the success of the self-funded laboratory suggested a new way of developing more high-standard open laboratories in the future.

Professor Zeng Qingcun, a noted Chinese atmospheric scientist and director of LASG, said the laboratory will conduct deeper research into the physical processes of atmospheric phenomena, and will further broaden its research to fill the needs of other sectors of the national economy.

Report on Rocket Designer Sun Jingliang's Work

OW1310052389 Beijing Domestic Service in Mandarin
1030 GMT 17 Sep 89

["Roster of Heroes and Model Workers"—on Sun Jingliang, chief designer of Long March Carrier Rocket IV, member of the International Academy of Space Communications, and chairman of the Science and Technology Commission under the Shanghai Astronautics Bureau—from the "National Hookup" program]

[Text] Sun Jingliang studied in the Soviet Union when he was young. He dedicated himself wholeheartedly to the development of large carrier rockets in China ever since he returned to China more than 30 years ago. A rocket expert with exceptional achievements, he has taken part in the designing, developing, and launching experiments of a variety of carrier rockets. His scientific and technological achievements have won him first and second class state awards for major scientific and technological achievements, an award from the National Science and Technology Conference, and a special state award for the advancement of science and technology.

Sun Jingliang accepted the mission of developing the Long March IV after presiding over the [words indistinct] and Long March III. Although he was more than 50 years old at that time, he, as always, worked indefatigably with other scientists. He was always available whenever and wherever a problem arose—from drawing up the general plan for the Long March IV to the inspection and acceptance of all equipment and from tackling certain key issues of subsystems to the coordination of work between workshops and laboratories.

During the 4-month period before the Long March IV was moved to the launching pad, Sun Jingliang spent 82 of the 104 workdays on the worksite. He even spent New Year's Day with other scientists on solving problems at the test site. Our work must stand the test of history—this is the motto Sun Jingliang shares with his associates.

A gigantic system engineering project, a large carrier rocket has tens of thousands of parts and hundreds of kilometers of wires. Even the slightest defect on each part and every inch of wire may lead to a launching failure. Sun Jingliang is extremely serious in approaching all matters concerning quality even though he is usually an amicable person. He admits: When it comes to quality, I yield to nobody, not even my parents.

At 0430 Beijing time on 7 September 1988, the Long March IV carrier rocket successfully delivered China's first meteorological satellite, the Fengyun No 1, into a solar-synchronous orbit 900 kilometers above earth. When everybody was excited by the victory, Sun Jingliang gave a full account of the achievements of all the scientists and technicians in tackling key technical problems as well as those who paid a price for launching the rocket. The only person he did not mention was himself.

Scientific Base Set Up in East China Sea

OW1210235789 Beijing XINHUA in English
1231 GMT 12 Oct 89

[Text] Shanghai, October 12 (XINHUA)—An experimental base for scientific research has been set up along the coastal area near Shanghai.

The base covers 330 sq km from the northern part of Chongming Island to the coast of Hangzhou Gulf.

The state farms on the island have been providing equipment, funds, and labor for scientific research units since 1979 and 131 research findings have been applied in production.

The state farms here have also made progress in research into the ecology of agriculture and breeding of freshwater shrimps, with the co-operation of the Shanghai Institute of Plant Physiology, China Citrus Institute, and Shanghai Aquatic Products Institute.

Shanghai's Jiaotong University and the Dongfeng State Farm have combined to experiment on bio-gas, coming up with findings of economic significance.

In the past four years more than 10 items of new technology and agricultural reclamation undergo experimentation at the base every year.

Gene Engineering Interferon Base Completed

OW0510153489 Beijing XINHUA in English
0817 GMT 5 Oct 89

[Text] Beijing, October 5 (XINHUA)—The construction of a base for commercial production of gene engineering interferons, the first of its kind in China, has been completed in the Changchun Research Institute of Biological Products under the Ministry of Public Health, according to the "GUANGMING DAILY" today.

The base has officially started to produce A-1-type gene engineering interferon. It is expected that it will be able to produce annually 10 grams of interferon worth 30 million U.S. dollars by the end of 1990.

The project was one of the country's major national ones during the period of the Seventh 5-Year Plan (1986-1990). It was completed 1 year ahead of schedule.

Interferon is an immuno-regulator that resists many kinds of viruses and cancers. Therefore, it is effective for treating many kinds of diseases. Besides, it causes no resistance to the action of drugs.

In the late 1970s, interferons were made from human blood. But since only 5 mg of interferon can be made from 50,000 ml of blood, the product was very expensive. By using gene engineering technology, however, the cost of the production of interferons will be reduced by as much as 99 percent.

Doctors Make Progress in Cancer Treatment

OW1010044589 Beijing XINHUA in English
0202 GMT 16 Oct 89

[Text] Beijing, October 10 (XINHUA)—Surgery, radiotherapy, chemotherapy, and traditional Chinese medicine are now used worldwide to combat cancer, and doctors in Shanghai are promoting these therapies to an advanced level.

The surgery group of Shanghai Hospital, headed by Professor Wu Mengchao, specializes in liver cancer treatment. A five-year follow-up study of the patients they have treated reported a survival rate of 27.7 percent, according to the Shanghai-based "WEN HUI DAILY".

Professor Xie Daye, of the tumor hospital attached to Shanghai Medical University, put forward cryosurgery for liver cancer. Of his patients, 40 percent survive after five years.

In the same hospital, linear accelerators manipulated by computers are employed for radiotherapy, as treatment for skin carcinoma, laryngocarcinoma, intracranial tumor, carcinoma of the tongue and other cancers. Liu Taifu, a professor at the hospital, was honored by the American Radiology Institute for his achievements in this field. Every year, more than 700 cancer patients come to the hospital to seek his help. Of the early-stage patients he has treated, a survival rate of 93 percent is reported, while the survival rate for patients with later stages of cancer is 41.5 percent which the paper said is a world record.

Doctors are also doing research in the field of traditional Chinese medicine. A method devised by Zhang Jingren, an expert in traditional Chinese medicine, is said to invigorate the circulation of blood and retard the process of cancer. Qian Bowen, professor at Shanghai College of Traditional Chinese Medicine, was among the first to set up a special tumor treatment section. During his 30 years as a doctor, he has treated tens of thousands of cancer victims.

Tang Zhaoqiu, of Zhongshan Hospital, treated hundreds of cases of small liver cancers, together with his colleagues. Nearly 73 percent of his patients are reported to have survived for at least five years. Tang defined liver cancer smaller than five centimeters and without symptoms as subclinical liver cancer. At the 12th international cancer symposium, held in Argentina, his research group was awarded the gold medal for their achievements in "early treatment and early cure" of cancer.

The doctors are striving for better early-stage diagnosis and treatment. Fiberscopes, fluoroscopes and molybdenum target X-rays are employed in cancer diagnosis. Cancer experts predict that the cancer cure rate will double if these methods are all available for use.

Each year, 4.3 million people die of cancer around the world. In China, 900,000 die of cancer every year. In

Shanghai alone, 15,000 people are diagnosed as having cancer each year, and one out of every four patients dies of cancer.

Though effective methods have been introduced, most of the cancer patients are not diagnosed until the later stage of the disease, either because patients themselves ignore and delay treatment or because of delayed diagnosis.

The death rate of cancer is on the increase as cases of cancer multiply. Experts attribute this to pollution, smoking and diet.

Too much meat is also considered to be a cause of intestinal cancer. Those who eat more than 60 grams of meat per day are more likely to develop intestinal cancer. People in the suburbs of Shanghai were found to be eating an average of 86 grams of meat a day in 1986.

Economic & Agricultural

Li Peng Claims Economic Sanctions Affect Economy

OW1210223389 Beijing XINHUA Domestic Service in Chinese 1508 GMT 12 Oct 89

[By Chen Ming (7115 6900) and Zhao Mingliang (6392 2494 0081); "Local Broadcast News Service"]

[Text] Beijing, 12 Oct (XINHUA)—Premier Li Peng said at a national industrial production conference which closed on 11 October: We have achieved an initial success in improving the economic environment and rectifying economic order. At the same time, some new problems have emerged. Leading cadres at all levels must see the grim economic situation, and they must also have confidence and courage to overcome difficulties and take the opportunity of the slowdown in industrial growth and the weakening of the market to improve enterprises. If we make efforts, we stand a very good chance of successfully achieving stable and coordinated economic development.

He said: Since the beginning of this year, the increase in commodity prices has gradually become smaller, the market has become more stable, savings deposits in both urban and rural areas have steadily increased, more and more currency has been withdrawn from circulation, and the excessively high industrial growth rate has been remarkably slowed, all of which are surely the result of improving the economic environment and rectifying economic order. However, there have also been some difficulties, such as shortages in capital funds, energy, and transport and weakening of the market. We must make a correct and objective analysis of the economic situation. The current economic difficulties come from many years' imbalance in supply and demand and excessive distribution of national income. Economic sanctions imposed on us by some countries after we quelled the counterrevolutionary rebellion are also having an impact on our economy.

Comrade Li Peng pointed out: To improve the economic environment and rectify economic order is a complicated process. We must tighten our belts for several years, unite as one, and work hard in order to tide over the difficulties. However, leading cadres in some localities and departments have not yet truly accepted this view. They are still asking for more investment and more construction projects and have not seriously considered how to do a good job in improving the economic environment and rectifying economic order. Li Peng said: If the economic environment is not improved and the economic order is not rectified, we will be unable to do a good job in reform and opening to the outside world. We will not be able to develop the economy. If this happens, it will be difficult for us to attain the strategic objective of quadrupling our gross national product before the end of the century. Leading comrades at various levels should fully understand the seriousness of the economic situation and devote their major energies to improving the economic environment and rectifying economic order.

[Beijing XINHUA in English at 1531 GMT on 12 October also carries a report on Li Peng's remarks to the national industrial conference. The XINHUA English version adds: "Listing color TV sets, washing machines, micro-computers and other production lines imported from abroad in the past few years, Li said that repeated import has been a serious problem.

"As a developing socialist country practising a planned economy plus regulation through the market, he said, both planning and regulation through the market are necessary for the economic development.

"He called on enterprises to raise economic results by further improving product quality, increasing varieties, and saving energy and raw materials.

"Addressing officials from different regions and departments, Li Peng pledged that the policies for economic reform maintain unchanged, such as the contracted production responsibility system and the director responsibility system in enterprises. The reforms will continue but efforts must be made to perfect them, he said."

Minister Reviews China's Foreign Trade

OW0310134589 Beijing BEIJING REVIEW in English No 40, 2-8 Oct 89 pp 10-14

[Article entitled "China's Foreign Trade in Past 40 years," from "International" column]

[Text] [Begin editor's note] Forty years ago the People's Republic of China was founded. Now looking back on the course of China's foreign economic relations and trade, we marvel at the progress China has made but at the same time are concerned with what the future holds for the country. With questions about the past and the future, "Beijing Review" has conducted an interview

with Zheng Tuobin, minister of Foreign Economic Relations and Trade. The following is the full text of the interview.—Ed.” [end editor’s note]

BEIJING REVIEW: Minister Zheng, New China’s foreign economic relations and trade have had a career of 40 years. Would you please comment on the achievements China has made in this field in the past 40 years?

Zheng: For 40 years, China has made remarkable progress in all fields of endeavour. Its foreign economic relations and trade have gone from being small part of the country’s national economy to a large and flourishing sector. Especially since the 3rd Plenary Session of the party’s 11th Central Committee in 1978, foreign economic relations and trade, guided by the policy of reform and opening to the outside world, have expanded rapidly. There have been a number of great achievements.

The first achievement is the rapid increase in foreign trade and remarkably strong export sales.

In 1950, China’s foreign trade volume was only US\$1.135 billion, but reached US\$80.489 billion in 1988, an increase of 70 times in 39 years. (Figures are according to the ministry’s business statistics. The following figures are from the same source.)

Export volume in 1950 was US\$552 million and reached US\$40.639 billion in 1988, an increase of 72 times in 39 years. Foreign exchange revenues and international payments were therefore much stronger. Import volume also rose to US\$39.85 billion in 1988 from US\$583 million in 1950, an increase of more than 67 times.

With an increase in imports and exports, the structure of foreign trade was also significantly improved. Finished industrial products, instead of farm and sideline products and mineral products, became the major exports. In 1953, primary products accounted for 79.4 percent of export goods, and industrial products only 20.6 percent. In 1988, the figures changed to 35.6 percent and 64.4 percent respectively. A majority of the imports were advanced technology and equipment and raw materials, as well as goods that domestic production and people’s livelihood depended upon. This has played a significant role in promoting the development of the national economy. The number of countries and regions having trade relations with New China has risen from dozens during the initial period to more than 180 today. In 1978, China’s exports ranked 32th in the world but rose to 16th in 1988.

The second achievement is that utilization of foreign investment has produced remarkable results.

From 1979, China began to employ funds from countries of different social systems. Foreign loans China has made use of in the past 10 years have reached US\$33.04 billion. Using the loans in the fields of energy, transportation, and communication, raw materials and other infrastructure has played an active role in adjusting the

industrial structure and in co-ordinating the development of the national economy. Direct foreign investment and foreign projects increase annually with constant improvement of the foreign investment climate. By the end of 1988, a total of 15,948 enterprises with direct foreign investments were approved, of which joint ventures accounted for 8,539; co-management enterprises 6,815; foreign enterprises 594. Real foreign investment reached US\$12.058 billion. Forty-nine contracts for joint exploration of offshore oil have been signed. Among the projects with foreign investments, many are productive, export-oriented enterprises or enterprises with advanced technology. More than 7,000 foreign investment enterprises have gone into operation. A majority of them are well-managed and generally have reached a balance of payment and enjoy a surplus. The increase in foreign investment enterprises has resulted in technical innovation in the original enterprises and has played a role in stabilizing and increasing production of crude oil.

The third achievement is the expansion of import of technology, with China exporting its own technology.

Introduction of foreign technology started in the 1950s. For more than 30 years, much industrial technology and equipment have been imported. And since 1979, technology has been introduced in a larger-scale and in a more flexible way. Pluralism of technological sources has been realized. In the past decade, contracts for new technology approved by the state totalled 3,530, involving US\$20.55 billion. Imported technology has significantly promoted China’s technological progress.

In recent years, China began exporting technology through its trade channels. By the end of 1988, transactions of technology exports reached 306, about US\$500 million.

The fourth achievement is the rapid rise in contracted projects and service co-operation with foreign countries, and the initial success in overseas investment.

China began contracting foreign projects and service cooperation in 1979. In the past 10 years, China’s companies, adhering to the management principle of “complying with agreement, guaranteeing quality, making small profits and paying attention to good faith,” participated favorably in international competition. By 1988, China had signed 7,164 contracts for foreign projects and service cooperation with 117 countries and regions. The contracts were valued at US\$10.3 billion, the volume of business amounted to US\$5.89 billion, and more than 300,000 service personnel, engineers and technicians were sent abroad. Many companies possess great talent in design, building, consultation and scientific research, and they have become a new force in the international contract and service market.

Meanwhile, Chinese companies also set up 526 non-trade enterprises in other countries. The total investment is US\$1.898 billion, and our companies account for 37.6

percent of it. Most of these enterprises have started business and won good economic benefits.

The fifth achievement is the further development of economic and technological assistance to foreign countries.

New China began to provide economic and technological assistance to other countries soon after its founding. By 1988, a total of 95 countries had received our assistance. China had helped 88 countries build 1,233 projects, sent out nearly 450,000 engineers and technicians and trained more than 50,000 foreign trainees. Since reform and opening to the outside world, the distribution, scale, structure and methods of China's foreign assistance have been rationally adjusted and reformed. From 1979 to 1988, China provided assistance to 24 more countries and helped 67 countries build up more than 330 projects, making contributions to the development of national economies of recipient countries.

The sixth achievement is the active participation in multilateral international economic and technological co-operation.

While contributing money to the United Nations development agencies, China has been receiving assistance from the world body since 1979. China also receives free technological assistance provided by developed countries. By 1988, China had received nearly US\$400 million in aid, which was used in more than 600 projects of technological co-operation. This multilateral or bilateral assistance capital, used in energy, communications, machinery, electronics, chemical industry, light industry, food, population, health care, family planning, immunization programmes for children and other fields, has played a positive role in promoting China's economic and social development and scientific and technological progress.

BEIJING REVIEW: What changes have taken place with China's foreign economic and trade policies, both general and specific, since carrying out reform and opening to the outside world?

Zheng: The guiding ideology of our foreign economy and trade has seen major changes since reform and opening to the outside world. We have established the strategic position of foreign economy and trade in the drive for our country's modernization. The development of the national economy needs to fully use domestic and external resources and open up both domestic and external markets. The ideology heightens the population's understanding, arouses the enthusiasm of various organizations and opens up a broad path for the development of foreign economy and trade.

According to this guiding ideology, we made major adjustments on some general and specific policies of our foreign economic and trade cause. First, China has widely developed trade relations with all kinds of countries. At the same time as continuing to develop trade relations with other socialist countries and developing countries, China has engaged in trade contacts with

developed countries. Therefore, suitable markets have been found for our different kinds of goods, thus extending commercial trade and increasing opportunities for earning foreign currency. This practice has raised our trade level through the two-way exchange—exporting to developed countries while importing from them.

Second, the concept of markets has been established. Before reform and opening to the outside world, China exported what were available for export. But the number of transactions and the price were not ideal. In opening to the outside world, China's foreign trade companies and enterprises have their eyes on the international market to produce according to demand and use trade methods commonly used throughout the world, thus effectively promoting our imports and exports.

Third, we have changed the concept that we cannot be in debt. We boldly utilize loans from foreign governments and international financial organizations, and the direct investment of foreign businessmen. In the past 10 years, this capital made up for our shortage of building capital, speeded up energy, traffic and communication construction and the technological renovation of existing enterprises. Foreign capital also enabled us to increase our export capability and absorb advanced foreign technology and management experience, therefore greatly promoting the development of our national economy.

Fourth, we no longer must import technology for all aspects of a plant as we did in the past. Importing manufacturing and production technology now involves licenced trades, cooperative production, advisory consultation and technological services to name a few. Imported projects no longer consist of major building of new large-scale backbone enterprises but instead are technological renovations of old enterprises.

Fifth, international economic and technological co-operation in various forms has been conducted according to the principle of "equality and mutual benefit, striving for practical results, varied forms and joint development." Not only China benefits from such cooperation, so have those countries that receive our assistance.

BEIJING REVIEW: What impact did the turmoil and rebellion which took place in Beijing and other parts of China between mid-April and the first part of June have upon the foreign economic relations and trade of our country?

Zheng: Between mid-April and the first part of June turmoil took place in Beijing and other places and eventually developed into rebellion. The Central Committee of the Chinese Communist Party adopted resolute and decisive measures to stop and quell the rebellion. A majority of countries understood it and some countries expressed their support. However, some Western developed countries disregarded the truth, taking economic sanctions against our country and rudely interfering in our country's internal affairs. This led to temporary

international misunderstanding and affected China's foreign economic relations and trade in all fields to varying degrees. Affected greatly were loans from foreign governments and attracting technology and investment from foreign firms. There has been little or no effect on the import and export trade, aid to other countries and overseas contracted projects. During the turmoil and subsequent rebellion, roadblocks prevented goods from being loaded and transported. Because workers could not follow their normal routine and go to work, export production was also affected. Our business partners who did not understand the immediate situation had some misgivings. Some personnel in foreign trade agencies in China were withdrawn. All this had an impact on export transactions. Some countries cancelled, froze or delayed their loans and aid to the Chinese Government. Dozens of projects totalling billions of US dollars were put on hold. A few countries restricted the export of technology to our country. Introduction of foreign technology was affected to a certain degree because a large part of the funds for importing technology came from foreign government loans. As a result of some governments' intervention and foreign businessmen's worries, direct investment by foreign companies was affected too. That the turmoil and rebellion caused difficulties to our foreign economic relations and trade cannot be underestimated by US. However, our principle is self-reliance. To win foreign aid is supplementary and our economic building is mainly dependent on our own strength. At present our country has gained certain economic strength and a comparatively good technological foundation. It has established trade relations with more than 180-countries and regions of the world. Therefore, sanctions adopted by a few countries cannot prevent China from modernizing. With technology having reached its present level, no country can monopolize all advanced technology. Because of a surplus of capital on the international market and stiff competition no country or company is willing to give up its original markets. The economic sanctions cannot slow down China. On the contrary, the sanctions will harm the interests of foreign countries and arouse dissatisfaction among their business people. China's strategic position in the world cannot be neglected by Western countries. Therefore, I consider the effects of the turmoil and rebellion a limited, temporary setback and our foreign economic relations and trade will surely develop forward.

BEIJING REVIEW: What about the prospect of our foreign economic relations and trade? What measures will the Ministry of Foreign Economic Relations and Trade take to promote our economic relations and trade?

Zheng: I consider the development of our foreign economic relations and trade will inevitably face difficulties, but future prosperity is more than likely. First, continuing to pursue the policy of reform and opening to the outside world has provided a basic condition for the development of our foreign economic relations and trade. The Fourth Plenary Session of the 13th Central Committee of the Chinese Communist Party stressed the

four cardinal principles as the foundation of our country. It also emphatically pointed out that the policy of reform and opening to the outside world as the road to lead the country to strength and prosperity must be implemented as usual in a steadfast manner. The country must not return to the old, closed-door path. The Standing Committee of the Political Bureau of the CPC Central Committee elected by this session is a group which embodies the reform and opening to the outside world. Its presence guarantees the continuous implementation of the policy of reform and opening to the outside world of our country. The reform and opening continues to develop and this provides a vast field for the development of our foreign economic relations and trade.

Second, the quelling of the counter-revolutionary rebellion in Beijing has further strengthened China's stability and unity and provided a good internal environment for the development of our foreign economic relations and trade. This is a basic guarantee to the development of our foreign economic relations and trade.

Third, the continuous development of industrial and agricultural production has provided a material foundation for the development of our foreign economic relations and trade.

Fourth, more than 180 countries and regions have economic and trade ties with our country and this gives us a vast room for manoeuvre in developing foreign economic relations and trade in the world. Therefore, I have confidence that our foreign economic relations and trade will further develop in the future.

For the future we will energetically expand exports and increase foreign exchange earnings to lay down a solid foundation for the complete development of our foreign economic and trade businesses. In accordance with the needs of the international market and the superiority of our country we will develop the production of export commodities, speed up the readjustment of the structure of our exports, expand industries processing imported materials or materials supplied by the customers and the export of finished goods, and actively open up international markets. At present it is essential to look at two issues. One is the quality and speed of carrying out contracts. We must implement the principles of respecting contracts and keeping our word. This is necessary to keep the development of foreign trade and export stable. Another is to take the opportunity to improve the economic climate for foreign trade and solve the problem of chaotic management. The main issue is to sort out foreign trade companies. Those companies that are unqualified to take part in foreign trade should be abolished or merged into others and their contracts with foreign countries should be fulfilled by qualified companies. The number of companies will be greatly reduced. At the same time measures will be adopted to strengthen the control of quotas and licences, and this is regulated by special appointees' offices. With reform of the entire economic structure, the reform of

the foreign trade system will be more thorough, and a healthy apparatus of foreign trade management and control will be established.

With increased exports, imports must be better organized. Imported goods must meet the people's needs and the requirements of agriculture and industry. It is necessary to order goods, sign permits, send ships and unload goods without delay.

It is encouraged to use foreign funds more boldly and more effectively. While retaining overall control on the scale of loans, we strive to raise and use more loans from some foreign governments and international monetary institutions. The main fields using foreign funds are energy, communications, telecommunications, raw materials and agriculture, the foundation of our national economy. Meanwhile, there are plans to begin projects to increase exports, introduce advanced technology and replace imports. To encourage foreign traders to invest in basic industries of our national economy, some effective measures will be adopted and new methods of investment will be explored. We strive to help jointly-funded, jointly-operated and foreign funded enterprises to solve related issues, letting the facts show that to invest in our country can result in assured profits. We continue to strive to improve the investment climate and further perfect trading regulations with emphasis on legislation to protect the intellectual property rights. Furthermore, it is necessary to adopt practical measures to improve all kinds of services so that joint ventures can operate and manage according to worldwide standards.

Introducing new technology, contracting projects in foreign countries, developing labour exchanges, aiding other countries economically and technologically, accepting foreign aid and investing abroad will continue to be pursued and will be conducted according to our set policies.

Establishment of Common Markets Viewed

*HK1210130189 Beijing JINGJI YANJIU in Chinese
No 8, 20 Aug 89 pp 28-32, 19*

[Article by Zhang Ping (1728 5493), Hunan Provincial Academy of Social Sciences, in May 1989: "Macroeconomic Stratified Adjustment and Control, and Regional Market"]

[Text]

I. Macroeconomic Adjustment Must Be Stratified

One must proceed from China's actual conditions when selecting a pattern of macroeconomic adjustment for China, which is a large, united country. To achieve a basic balance in the aggregate level of both supply and demand of society, as well as a coordinated basic structure, are the necessary conditions for maintaining a long-term and steady growth in the national economy. Therefore, we must uphold the unity of macroeconomic

adjustment. In other words, the general power of macroeconomic adjustment must be centralized at the central level. Since China is a country in which regional conditions in different places vary widely, and neither its productive force nor commodity economic development has developed in an even manner, it is inevitable that our macroeconomic adjustment will be stratified, and supervision will be carried out level upon level. Specifically speaking, this is because:

1. Great differences among economic regions. China is a vast and populous country. There are great differences in terms of geographical conditions, natural resources, economic and technological development level, and the extent of commodity economic development among various economic zones, or among various regions of the same economic zone. Therefore, there should be different approaches to the macroeconomic adjustment policies, as well as the specific measures, that conform to the goals and tasks of economic development in various economic zones and various regions.

2. Special nature of the economic structure. Differences among economic zones determine the special nature of economic structures in different regions. In the course of achieving industrialization, as well as mass production, socialization and modernization of products, it is inevitable that different regions develop their distinctive features, or even great differences, in their composition of industries and their system of ownership. The macroeconomic adjustment policies of the state should, subject to arrangements made for the overall situation, help various regions give play to their inherent characteristics and advantages, and strive for an overall balance in, and a coordinated development of, the national economy on the basis of unevenly developed regional economies.

3. Stratified nature of the economic operation. A socialist economy is a planned commodity economy, the operation of which requires the formation of a vast open market which is unified nationwide. However, in a large country such as China, a unified socialist market must be stratified. Items like the demand for and supply of various means of production and means of consumption, links connecting supply, production and sales, specialized coordination and cooperation of production, distribution of productive force and so on simply serve a particular area and carry regional features. Some of them achieve a balance in, and an overall layout of, supply and demand across the country, while some of them do so in a relatively small territory. This nature of stratification becomes more obvious and prominent during the transition of a commodity economy from an underdeveloped stage to a nearly developed and developed one. This nature of stratification, which conforms to the operation of a commodity economy, as well as macroeconomic adjustment policies and measures, should carry with them in varying degrees certain distinctiveness and flexibility.

4. Giving play to initiative at two levels. On decisions made, as well as adjustment and supervision conducted,

concerning macroeconomic management, an appropriate division of responsibility, rights, and interests between the central and local authorities allow localities to undertake certain liabilities, have certain authority and corresponding economic interests under the prerequisite of safeguarding a unity of laws, policies, and decrees of the state, and observing the macroeconomic management goals. Therefore, they will integrate the macroeconomic policies, as well as adjustment measures and mode, of the state with the realities in various localities. This will prevent the phenomenon of acting indiscriminately from happening, and will give play to the role of giving guidance for and feedback on macroeconomic management goals and microeconomic management activities at the local level initiative, thereby improving the effectiveness of macroscopic adjustment, reducing the "time-space difference" in it, and giving play to the initiative at both the central and local levels.

How does one divide in a scientific way the layers of macroscopic adjustment? What are the duties and authority of each layer? These are very difficult, complicated, and controversial questions. I hold that China may take a direction in which macroscopic management may be divided into three layers, namely the central layer, locality layer, or the middle one, and the regional layer for coordination.

1. The central layer as the principal one. The subject or principal stratum of macroeconomic adjustment by the state is central management. The economic goal of macroscopic adjustment should be to achieve a basic balance in the aggregate level of both supply and demand, as well as a coordinated basic structure, so as to promote and ensure a long-term, steady development of the national economy. Therefore, any important issues concerning the overall situation of the national economy should be decided by the central authorities. Moreover, we should formulate as practically as possible the necessary laws and regulations. Specifically speaking, the central layer should be responsible for the following tasks: (1) to formulate national strategies concerning economics and social development, as well as medium- and long-term development plans, for the sake of providing an important basis for the implementation of the macroscopic adjustment; (2) to arrange the scale of investment in fixed assets, the growth rate of consumption demand, as well as the general scale of monetary issuance and credit, and to determine an appropriate economic growth rate in accordance with China's capability, so as to balance the economy at the aggregate level; (3) to formulate policies relating to the work of balancing the aggregate level and achieving a coordinated structure, including important policies about economics and technology, such as financial policy, money policy, and those concerning industries; (4) to arrange the economic layout of a region, distribute its resources and its composition of industries by proceeding from the macroeconomic situation of China, so that the industrial development of various regions conforms to the overall development of China's national economy.

2. The locality layer at the middle. The implementation of policies and measures for macroscopic adjustment, as well as the feedback of constantly changing information about microeconomic activities, require a middle layer. At the same time, because of a striking difference among China's regions, unified adjustment measures simply cannot conform to the specific situation in these regions, and a regional management layer is thus needed to really link them together, so as to cultivate the scientific, rational, and prompt nature of the macroscopic adjustment. It is better to select administrative regions at the provincial level, including cities at such a level and cities on a separate planning lists, as the contents of the middle level. This is because first, they have a relatively independent and spacious domain for their economic activities, and possess relatively complete means of economic adjustment, and decision-making power. The regional layer should be responsible for the following tasks: (1) to formulate local strategy and medium- and long-term plans for economic and social development by proceeding from the local situation and in accordance with China's general strategy and the goals and principles of medium- and long-term plans; (2) to formulate detailed regional plans for industry policies by proceeding from the local resources and corresponding industry advantages, and in accordance with the general requirements of China's industries, the principle of cooperation and division of labor among regional economies, and the principle of interest comparison; (3) to adopt a rational tax rate, interest rate, price, wages, and other economic parameters by integrating with the actual situation, to guide and intervene the progress of industrial development in the regions so as to rationalize the regional distribution of resources, as well as its economic structure; (4) with corresponding legislative power, to perfect the regional system of supervision and inspection, and implement all economic adjustment policies and measures of the central and local authorities concerning various economic subjects, so as to achieve the state's goal of supervising and maintaining the macroeconomic adjustment.

3. The regional layer for coordination. The operation of commodity economy is a lateral economic movement. It has an open inherent nature, and it is impossible that layers of operation of commodity economy are the same as those of administrative division. Therefore, we should follow the economic domains of the commodity economy in operation. We should adopt an appropriate and coordinated approach and measures, and establish a common market or market-oriented economic zone for the regions, so as to develop a regional layer for coordinating macroscopic adjustment, to eliminate separation among regions, and to establish stable economic connections and cooperation among them. Instead of being part of the administrative structure, the regional coordination is a transregional market-oriented economic organization based on mutual assistance and division of labor among different administrative regions. Its main functions are: (1) to promote the exchange of resources, capital, manpower, technology, and information, to

develop resourceful and diversified lateral economic combines, and to gradually establish an open regional market system by helping each other's needs; (2) to coordinate the medium- and long-term development plans of related regions, to give full play to joint development of local resources by adjacent regions and economic combines, and to promote division of labor among regions and to rationalize the composition of industries in these regions in accordance with China's medium- and long-term development plans and the requirements of regional economic distribution; (3) to formulate plans for the regional common market or economic zone, to coordinate economic policies such as those concerning price, taxation, and credit, to gradually promote the practice of putting the economic relations among regions into contracts, thereby maintaining long-term stable economic relations among the regions, forming a stable market environment and making the operation of the market systematic.

Such layers of macroscopic adjustment can neither be simply divided under the system of administrative management, nor be completely departed from such administrative management. However, it is a stratified macroscopic management system in which the layers should be horizontally and vertically linked together, be integrated with the planned adjustment and the market mechanism, and be handled by integrating various means of adjustment.

II. Stratified Adjustment and Regional Market

China's main approach to macroeconomic management is changing from direct control to organized adjustment. That is, the work of the state to directly make arrangements for enterprises is being replaced by that to apply economic and legal means to adjust, and make arrangements for, the market which in turn guides enterprises through market signals and market parameters to make decisions on their production and operation. The market is thus both the subject that guides enterprises and the object that is subject to macroscopic adjustment, being a key sector linking the macroeconomic adjustment to the microeconomic activities. Therefore, a perfect market system is a prerequisite for giving play to the proper functions of macroscopic adjustment. The work of establishing and perfecting the stratified macroscopic adjustment system of the state may be realized by taking a unified socialist market system as a condition, by taking an open regional market system as the medium, and by comprehensively utilizing the market mechanism.

A perfect market system is an organic whole composed of a commodity market and a market of factors of production. Its formation and perfection must be marked by the following features: (1) The participating subject in the market—an enterprise—runs their business with independent and lawful rights and on their own accord, assumes sole responsibility for their profits and loss, faces the market as a genuine legal person, and runs their business through the market and by taking the market signals as their guidance. Only thus can the

market mechanism be given full play. (2) The formation of a perfect market system. Not only should the commodity market be further developed, but there should also be the change of various factors of production into commodities and thereafter the formation of markets for such factors. Moreover, there should be the formation of close links and related functions among various markets, and only thus can a socialist market system be formed. (3) Market mechanism can play an effective role. The market mechanism refers to the interrelationship and interaction of prices, supply-demand relations, and competition. It is the form of economic relations and economic interests of the subject of the market realized through their self-coordination in the course of exchange. Only when the basic factors of the market mechanism, as well as a generally rationalized pricing system, have formed, conditions for having a fair competition in the market are present, and the composition of factors of production is quite perfect, can the market mechanism effectively play the role of adjustment in all commodity economies across the country. (4) We should establish unified national market rules, such as rules on entering and leaving a market, rules on market operations, and rules on competition. In addition, we should formulate these rules on a legal basis, gradually eliminate regional barriers and put an end to the monopoly situation, and promote a rational flow of resources and the formation of markets for such factors of production. Only thus can we form a market marked by equal opportunities, fair transactions, and fair competition, and can the market play the role of guidance.

We can see that we need to undergo a lengthy process in order to form a unified and perfect national market system. As there are great differences among various economic belts and regions in the terms of productive force development, commodity economic development, and market development, it is impossible for us to form overnight a perfect market system and market mechanism. Therefore, we should set up open regional markets stretching across several administrative regions in areas which have a better progress of commodity economic development and better economic conditions. On this basis, it is inevitable in China's market development that a unified national market will gradually be formed in the wake of mass production of goods, the development of socialization, and the natural links in a commodity economy. This is a process of lateral development and a change from simplicity to complexity. Proceeding from the composition of factors of production, we should gradually move from a market system with a wide range from the general commodity market to a market for each special factor of production. Proceeding from the composition of market space, it is inevitable that separated local markets will turn into open regional ones, and will gradually develop into a unified national market. Any economic activity, as well as any interrelationship among them, must be implemented down to the local level. The macroscopic system of national economy is composed of regional economic systems, while a socialist unified market system is a combination of open regional

market systems with each marked by its own characteristics. A socialist market system is simultaneously marked by unity and regional features. Without the restrictions of unity in a socialist market, its regional characteristics will turn into separation at a local level. Likewise, a unified socialist market without regional markets will have no foundation to rely on. In order to establish and perfect a system for adjusting the macroeconomics level by level, we must speed up the establishment of open, nonmonopolized regional market systems, which is the important base of adjustment level by level, in addition to cultivate a unified socialist market system.

III. Establishment of Regional Common Markets Stretching Across Provinces

The key issue concerning the establishment and perfection of China's regional market system is the establishment of various distinctive regional common markets stretching across provinces.

1. The establishment of regional common markets stretching across provinces is favorable to the elimination of the closed and monopolized nature of local markets which take administrative regions at provincial level as the boundaries. Under the traditional system of commodity economy, the economy of each administrative region is a self-served, self-circulated, and closed economic system. In the wake of the development of transregional lateral economic combines, which is one of the results of reforming in the past decade, the local market gradually moved toward the direction of forming a unified national market, so that the closed nature of local markets began breaking down. However, because of the implementation of financial contract system, contract system for foreign trade and other systems, the autonomy of localities was expanded. On the one hand, this mobilized their initiative in handling financial matters and in developing foreign trade, so that the local economy was enlivened, and the economic growth was stimulated. On the other, this strengthened their thinking about taking actions on the basis of their local interests, so that the supply of important means of production, as well as major agricultural and sideline products, was hampered and monopolized. Closed regional markets taking administrative regions at provincial level as the boundaries were thus developed. This intensified the contradictions and conflicts of interests between the central authorities and localities, and among localities themselves, and strengthened the closed and monopolized nature of local markets.

In order to perfect the macroscopic adjustment system and establish a unified market, we must make use of the market space mutually provided to each other by various administrative regions, particularly neighboring regions, in the course of economic contacts and economic exchange. We must use it to develop open regional markets. The key to this rests with the establishment of regional common markets for agricultural products and important means of production stretching across provinces. By means of contracts and covenants, they should

protect their respective legitimate rights, supply goods among themselves to meet each other's needs, and break through the limitation of local economies. We should act on such a basis and further develop the commodity economy, as well as the capital, technology, labor, information, and other markets, so as to gradually form various distinctive open regional market system.

2. The establishment of regional common markets stretching across provinces is favorable to the move of putting an end to the "rigid control—large-scale battle—rigid control" phenomenon in terms of transregional economic relations, and to the establishment of new orders for the transregional commodity economy. At present, we have three strategic options when handling such relations: First, we allow the "invisible hand" of the market to spontaneously adjust by itself. In the wake of the commodity economic development and the expansion of market adjustment scope, there were breakthrough points concerning the old order of planned distribution and the practice of allocation level by level. The doors to neighboring provinces were opened, and many more of their products were sold through the open channels. After the policy of opening up was implemented, however, the commodity exchange among provinces was often in a spontaneous, scattered, unstable, and chaotic state. Be it a business operator, delivery agent, or producer, such party must submit itself to the spontaneous move of the market's "invisible hand." The price of products that were in short supply soared high, and brought about various forms of "large-scale battle." Those products that were over-supplied had their prices plummeted or were even downgraded. Consequently, prices shot up so blindly that the stability of the market was undermined, and the scale of production was so large in every aspect that the stability of production growth was hampered. This is favorable neither to the producers nor the consumers. Second, we strengthen the closed and separated nature of localities. Many provinces restored the old practice of imposing rigid control over the delivery of goods in order to avoid damages caused by the "large-scale battles" and to protect their resources and their interests. This divided China's market into separated parts, hampered the enthusiasm of commodity producers and the vitality of the local economy, is unfavorable to the formation of a rational division of labor among regions and the adjustment of the local composition of industries, and put obstacles to the road of building a unified market. Third, we establish regional common markets stretching across provinces. Facts have shown that "large-scale battles" do not work, so does the rigid control. If we establish regional common markets stretching across provinces on the basis making up each other's deficiencies, we shall give play to their respective geographical, resource, and economic advantages. In accordance with the state's requirements for macroscopic economic distribution, we should stress optimizing the distribution of resources in large regions, and should rationally integrate an optimized composition of industries in a particular economic region with the local ones, so as to gradually form

a rational regional composition of industries and a rational distribution of production force. Moreover, we should, on the basis of voluntarism, equality, and mutual benefits, rationally solve those contradictions and conflicts of interests that emerge in local economic development. We should conduct local commodity exchanges and economic cooperation according to covenants and contracts, put an end to the "rigid control—large-scale battle—rigid control" phenomenon, and gradually establish a new order for the transregional commodity economy.

3. The establishment of regional common markets stretching across provinces is favorable to the establishment of a new macroscopic adjustment system and the improvement of macroeconomic results. Local economy is a level of the macroeconomics. However, it carries with itself the characteristic of self-development, and correspondingly has its local interests which are different from the overall ones. It thus tends to develop narrow-minded localism and local protectionism, bringing about closed and separated localities. On the other hand, a regional common market stretching across provinces takes the move of making up each other's economic deficiencies, as well as the division of labor, among administrative regions at provincial level as the basis. It is a market system stretching across provinces. Its development is a breakthrough point and the negation of the situation where local economies are economically separated and closed, so that macroscopic adjustment is carried out level by level. This helps us mobilize the initiative of localities while avoiding any move to separate them, so that reforms under the macroscopic supervision will move in the direction that "the state adjusts the market, and the market guides enterprises," and will promote a switch of the macroscopic supervision system from direct control onto an indirect one. At the same time, as China is a vast and populous country, this means that the market scale, particularly the scale of potential market, is very great. It is a very enormous task to have the 1.1 billion population engaging in two types of production—the basic means of consumption and the means of production required by man's own production and material production. Furthermore, China's modern transportation and telecommunication network has yet to be formed, so that the market structure and mechanism are imperfect, so are various necessary market environmental conditions. It is not suitable to have the distribution of such kind of production departments too concentrated, or that a production zone undertaking economic cooperation with its sales zones too far away from such zones. We should establish a common market for localities which are adjacent to each other and can benefit from the practice of making up each other's deficiencies, so that they can dovetail with each other in terms of production, supply, and sales, and can reduce the transportation cost and improve their economic results by eliminating long-distance transportation of goods in large volume.

In the establishment of regional common markets stretching across provinces, we must clarify and pay attention to the following issues:

1. The basis of having a regional common market as an economic complement. Be it a coastal province or autonomous region or a provincial or autonomous region in inland China, and be it an economically developed locality or economically backward one, every locality has its own characteristics and advantages, as well as favorable conditions and unfavorable conditions. In order to establish regional common markets stretching across provinces, we must develop a better capability of transformation, so that the factors of production will circulate rationally, and that local conditions of different localities may make up each other's deficiencies. In terms of stages, we should commence from the production of products that yield the most benefits. We should handle the work from the easy aspects to the thorny ones, and gradually expand the scope to other products, sources of funds, technology, labor and so forth, so as to gradually form an open common market system.

2. Equality and mutual benefit are the basic principles of the regional common market. Equality and mutual benefit are the basic rules of a commodity economy—an objective requirement for the law of value is to reflect the exchange at equal value in the regional economic relations. Under the conditions of commodity economy, any kind of combine and cooperation, be it between two countries or among different regions in a country, aims at economic development and profit making. Therefore, the formulation and coordination of the common market rules should embody the principles of equality and mutual benefit. In the process, we should take into consideration the interests of various sectors, so that the rules are formulated on the basis of sharing interests.

3. The base function of regional common market is coordination. In order to let a common market play the intermediate role, we must coordinate relevant policies among localities, improve the scope of market organization, and gradually operate the market space in a systematic manner. For this reason, we must, on the one hand, establish a coordination organization, such as a council for common market, a liaison committee or a team trades coordination, to work among local governments. Its main purpose is to coordinate policies, formulate rules governing the common market, and eliminate obstacles against transregional trade. On the other, we must stress giving play to the market's role of being an intermediate organization for such activities as the trading activities in the market conducted by specific organizations like joint trading companies, joint development groups, joint investment companies. Its main goal is to work out schemes and plans for joint ventures and joint development, examine the feasibility of joint development projects, review trade contracts, provide various market services, and so on.

4. Long-term planning is the basic starting point of a regional common market. Various regional units of a

common market must really make up each other's deficiencies, form a rational division of labor, and optimize the composition of industries among themselves. Based on their present situation, they must make arrangements for the near future while working out long-term plans. They must take the macroscopic plans of the state as their guidance, and conform to the prerequisites set forth by the state's overall economic plans for localities and regional development strategies. They should proceed from the needs for fulfilling long-term development plans of various sectors, and formulate industrial policies and corresponding measures to be commonly observed by all of them. At the same time, they must effectively overcome such and such contradictions about market organizations stretching across administrative regions, and those among these regions, in order to stress on the intermediary function of the common market. Therefore, they must proceed from the long-term interests and from the viewpoint of common prosperity, and make concessions on their short-term interests in order to achieve greater results.

Economically central cities are the core of a regional common market. A central city has a relatively perfect market system in addition to its relatively perfect service systems for production and living. It is the distributing center of tangible commodities from various regions, and an urban market for tangible commodities such as currency and capital, and for intangible items such as technology and information. It forms the basis between the central city and the social life in its related regions. It is the key to macroscopic market adjustment by the state as its capital and formation markets play a guiding role in their market operation through contacts. Therefore, the markets in the central city are communication hubs for economic contacts and exchanges in the regions concerned. Not only can these markets facilitate economic links within a certain region, but can also realize such economic links among different economic regions. Such a function of the cities reflects the rule of socioeconomic activities in a particular domain under the conditions of commodity economy. Under such circumstances, all economic links conducted in a specific region and those among different regions take cities as the focal point, and are done through cities in every direction, thereby forming a network. Therefore, the establishment of regional common markets must not only rely on the economically central cities to play their functions of being the communication hubs and the core, but will also boost the comprehensive urban services, expand their connections with other areas. Only thus can we facilitate the economic links among various regional markets, and can they gradually form a unified national market.

Paper Condemns 'Near-sighted' Economic Policies

HK1110013089 Beijing CHINA DAILY in English
11 Oct 89 p 4

[Text] The development of science is pivotal to further economic advancement in China's provinces, but near-sighted policies made by local authorities—putting sole

emphasis on immediate profits—have resulted in the neglect of science and technology, a science newspaper claims.

A report in the Beijing-based SCIENCE AND TECHNOLOGY DAILY analyzed the causes for local officials' near-sighted behaviour.

The shortness of terms of office and contracts is regarded as the main reason for policies that seek quick profits. Moreover, there are no examinations of officials' and directors' long-term records.

Theoretically, officials and contractors have the final say in decision-making in their organizations, but they often have to comply with the central government despite talk of decentralization.

Provincial terms of office range from three to five years. And contracts are valid for one to two years. Assessment of officials' achievements are based only on the economic development during their tenure.

Furthermore, high awards provide incentives to accelerate economic development, encouraging officials and directors to pursue immediate profits.

The unscientific examinations for officials and contractors, which mainly pay attention to profits, ignore the development of technology and workers' training, let alone an efficient utilization of resources, environmental protection, capital construction and ideological education. As a result, they have aggravated the demand for material gains. And some officials overstate their achievements to seek commendation.

According to the article, a lack of an overall plan to coordinate the development of the economy, science, technology and environment has led to a lack of consistency in measures. New officials usually work out new measures in order to demonstrate their ability and talent, instead of following their predecessors' lines.

Besides, a lack of legal protection for investment in education, agriculture, scientific research, the raw material industry, energy, environmental treatment and water conservancy has increased officials' eagerness for quick results.

The unsuccessful implementation of laws concerning mineral resources, forest protection and land has also led to destructive exploitation of mineral resources, excessive felling of trees and unreasonable occupation of cultivated land.

Egotism is the ideological source of near-sighted policies, the article said.

Office-holders are eager for quick success and instant returns to show their achievements during their short terms of office. They concentrate on processing industries, from which they can get instant results, and neglect such fundamental industries as energy and raw materials.

The imbalance between the raw materials and energy industries on the one hand and the processing industries on the other—particularly the backward condition of the raw materials and energy industries—is an impediment to the nation's economic development. The over-heated development of processing has caused inflation, the article said.

The neglect of science and technology in enterprises has led to obsolescence of machinery and products and a decline in professional competency. Some officials are autocratic, making policies based on their own experience rather than scientific investigation.

Furthermore, the equivocal rural contract responsibility system has not set a definite time limit on the use of land, causing irresponsible farming. The changes in agricultural policies in the past have also contributed to farmers' disregard for land protection.

They neglect to improve the soil. What is more, some even build houses on their cultivated land or dig fish ponds for larger profits.

According to the article, it is important for local authorities to work out a long-term plan that will guarantee the coordinated development of science, technology, the economy and the environment.

Unemployment Expected To Rise in Next 6 Years

OW2609033989 Beijing XINHUA in English
0313 GMT 26 Sep 89

[Text] Beijing, September 26 (XINHUA)—China's unemployment ranks are expected to rise over the next six years as the gap in demand and supply of labor widens, "CHINA DAILY" reported today.

A senior government official, Zhang Zuojie, from the Ministry of Labor, said that about 10.5 million people across the country will be looking for jobs this year, but only 4.9 million will find jobs.

Zhang said the state will adopt measures to help the jobless, including:

- encouraging collectives and individually-owned enterprises to create more jobs;
- enlarging the pool of professional staffers by means of more training programs;
- developing ways to relieve unemployment in urban areas, especially major and medium-sized cities, where the needs are most pressing;
- and furthering reforms of the employment system to enable more enterprises to hire their own workers with the help of labor agencies.

Zhang said that currently there are more than 8,000 employment agencies in China, and the contract employment system, which lets factories set the number of employees they need, has been introduced to all state-run units throughout the country.

Arbitration Body Official on International Role

OW2609041589 Beijing XINHUA in English
0257 GMT 26 Sep 89

[Text] Shanghai, September 26 (XINHUA)—The China International Economic and Trade Arbitration Committee has established close relations with many arbitration organizations around the world, and adopted internationally accepted rules in dealing with arbitration cases, Vice-Chairman of the Committee Tang Houzhi told XINHUA today.

He said some Chinese experts have been invited by other countries to take part in arbitration cases. The Chinese arbitration committee is seeking a more important position in the world.

The arbitration committee established by the China Council for the Promotion of International Trade in 1956 was the first arbitration organization in China's history.

The committee accepts and hears all disputes in international commercial activities, and those applying for arbitration can be both Chinese and foreign.

In April 1987, China joined the international "1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards", which marks the development of the committee into an international arbitration organization.

Over the years the committee has invited more than 100 arbitrators, all of whom are experts in fields such as international commercial activities, science and technology and law.

Headquartered in Beijing, the committee has set up a branch in the Shenzhen Special Economic Zone, and is now preparing for its second branch in Shanghai.

The organization accepts and hears an annual average of more than 100 cases, and its scope has been enlarged from hearing disputes in foreign trade only to disputes in joint ventures, investment, transfer of technology and other businesses.

The committee is now hearing 280 international commercial cases in Beijing and Shenzhen. Most disputes involve trade, while a small number are about investment. The litigants involved include businessmen from the United States, the Federal Republic of Germany, Britain, Canada, France, Belgium, Japan, Italy, Poland and some other countries.

In recent years Chinese experts have been invited by arbitration organizations in Britain, Australia, Canada, Poland, Singapore, Sweden and other countries to be members of arbitration committees and arbitrators.

China's arbitration rules which were amended in January 1988 require that China's arbitration organizations

fairly and independently resolve disputes in international commercial activities to protect the just rights and interests of litigants.

Li Houzhi said that China's arbitration committee combines arbitration with mediation. In the process of arbitration, arbitrators mediate between both parties involved, seeking their reconciliation. This effective method has attracted international attention, and some arbitration organizations in other countries are now doing the same.

Success of Jilin Chemical Corporation Noted

HK2209000189 Beijing RENMIN RIBAO in Chinese
14 Sep 89 p 5

[Article by XINHUA reporters Zhao Yuqing (6392 3768 1987) and Chen Guangjun (7115 1639 0193) and RENMIN RIBAO reporter Li Anda (2621 1344 6671): "The Source of Vitality—Notes on the 'Spirit of Jilin Chemical Corporation'"]

[Excerpts] Jilin Chemical Corporation, a pearl on the bank of the Songhuajiang, has made marked achievements in the years of reform and opening up to the outside world. Jilin Chemical Corporation was built during the First 5-Year Plan period and is China's first chemical industrial base. Now Jilin Chemical Corporation is one of the 10 major enterprises in China. In the spirit of "solidarity, progress, and contribution," which is known as the "Spirit of Jilin Chemical Corporation," the 100,000 staff and workers of Jilin Chemical Corporation have achieved remarkable successes in raising their production efficiency, increasing their economic results, and modernizing their enterprise. As a result, compared with other similar chemical corporations in China, Jilin Chemical Corporation has turned over the largest number of profit taxes to the state and has produced the largest number of quality products. Jilin Chemical Corporation has also been commended by the state as an advanced enterprise in doing ideological and political work for 5 years running. [passage omitted]

The Spiritual Pillar of the 100,000 Staff and Workers of Jilin Chemical Corporation

When nationwide turmoil and counterrevolutionary rebellion broke out in China between May and June this year, every day over 1,000 people from other work units in Jilin Province gathered at the gate of Jilin Chemical Corporation and shouted: "Workers of Jilin Chemical Corporation, take to the streets and go on strike!" However, none of the staff and workers of Jilin Chemical Corporation took to the streets or took part in the demonstrations. During that period, scores of schools affiliated with Jilin Chemical Corporation still continued their classes. And the entire production and education order of Jilin Chemical Corporation remained normal. A veteran worker of Jilin Chemical Corporation asked some demonstrating students: "Do you know that the daily output value of Jilin Chemical Corporation tops 10 million yuan and the daily profit tax turned over

to the state by Jilin Chemical Corporation tops 4 million yuan? If Jilin Chemical Corporation stops its production for just 10 days or half a month, the state will suffer severe economic losses. If that happens, will you still be able to go to school?" After listening to the remarks of the veteran worker, the demonstrating students left the gate of Jilin Chemical Corporation.

On 21 May, five trucks, which had been sent to Beijing Yanshan Petrochemical Corporation by Jilin Chemical Corporation to fetch raw materials, were stopped and taken over by the "dare-to-die team" of the Beijing College Students Autonomous Federation and were later used as roadblocks. Liu Xin, leader of the transportation team of Jilin Chemical Corporation, held talks with the leaders of the "dare-to-die team" of the Beijing College Students Autonomous Federation for more than 4 hours in an effort to secure the release of the five trucks. Finally, he seized an opportunity to lead his transportation team to drive the five trucks back to Jilin when the "dare-to-die team" of the Beijing College Students Autonomous Federation was busy trying to stop another vehicle at midnight. Another two trucks, which had been sent by Jilin Chemical Corporation to Shanghai to fetch corrosion-resisting materials, also managed to bypass a number of blockade lines and returned to Jilin on time. Over 100 marketing and sales personnel sent by Jilin Chemical Corporation to all parts of the country during that period also successfully fulfilled their tasks on schedule. Between this May and June, the output value of Jilin Chemical Corporation and the profit tax turned over to the state by Jilin Chemical Corporation still maintained a substantial increase.

When the counterrevolutionary rebellion broke out in Beijing at the beginning of this June, some 36,691 workers of Jilin Chemical Corporation were taking an examination which would determine their technological grades in 305 examination rooms spread in 22 examination venues, which was the first of its kind in the history of Jilin Chemical Corporation. The results of the examination showed that in a period of 10 years, the average technological grade of the workers of Jilin Chemical Corporation rose from Grade 3.2 to Grade 5.8. [passage omitted]

Money Cannot Substitute the Spirit of Enterprise Masters

When the enterprise reform first started in the Jilin Chemical Corporation, Jilin Chemical Corporation was nothing but an awful mess left over from the catastrophic "Cultural Revolution." Only 36 percent of Jilin Chemical Corporation's equipment was still operational at that time. A lot of equipment and machines had been damaged or destroyed during the "Cultural Revolution." At that time, Comrade Jia Qingli, who had just been sent to take charge of Jilin Chemical Corporation by the Chinese Ministry of Chemical Industry, said to the staff and workers of the Jilin Chemical Corporation: "This enterprise is the home of all our staff and workers. We must do everything possible to keep our home clean and

in good order!" At that time, Jia Qingli, a veteran cadre experienced in the field of chemical industry, was already 60 years old. However, he still had his meals and lived in the chemical industrial zone and personally led the staff and workers of the Jilin Chemical Corporation to implement a contract system aimed at cleaning up the factory proper, repairing the damaged equipment and machines, improving the maintenance of pipelines, and examining the facilities. As a result, Jilin Chemical Corporation became one of the first batch of safe, clean, and civilized enterprises in China and was commended as a "six-good" enterprise by the state.

In 1983, Jilin Chemical Corporation took the lead in implementing the contracted management responsibility system among all the Chinese chemical industrial enterprises. In implementing the contracted management responsibility system, Jilin Chemical Corporation did not try to turn its staff and workers into slaves of money, but tried to enable its staff and workers to clearly understand that they are the masters of their enterprise. Thus "the heavy burden is shouldered by all, everyone is given a production quota." Each and every worker, cadre, and technician in Jilin Chemical Corporation was charged with clearly defined responsibilities by the enterprise and the state and was also given relevant powers and interests. Since "enterprise's success means employee's success and enterprise's failure means employee's failure" and the fate of staff and workers is closely linked to the fate of their enterprise and the state, an "interest-determined community" was formed in Jilin Chemical Corporation.

Ideals Are the Keynote

"Despair is the greatest sorrow." A state, a nation, an enterprise, and an individual should have ideals and pursuits. This is because ideals are the motive force of advancement. Jilin Chemical Corporation has made unreserved efforts to carry out education on ideals among its staff and workers in order to urge its staff and workers to work hard and make more progress.

One of the important characteristics of the education on ideals conducted by Jilin Chemical Corporation is the integration between lofty revolutionary ideals, enterprise development goals, and specific work of staff and workers. Such an integration is aimed at urging its staff and workers to do a better job in their respective posts. The following is the "Song of Ideal" written by the workers of Jilin Chemical Corporation, which goes: "Ideals are at once lofty and realistic; ideals are the sail of life and a realistic picture, too; ideals are with us at our work posts." [passage omitted]

Once an enterprise has ideals, it will be able to thoroughly eliminate its short-term behaviors. Jilin Chemical Corporation has always placed the interests of the state above everything else and has turned over more and more profit taxes to the state over the past decade. Now Jilin Chemical Corporation has become the enterprise which turns over the most profit taxes to the state

in Jilin Province. Moreover, the profits retained by Jilin Chemical Corporation have been spent largely on the technological transformation and production development. Since 1981, Jilin Chemical Corporation has made a total of 390 million yuan of investment in its own technological transformation and production development, completed 290 technological transformation projects, and increased its output value by 220 million yuan. Moreover, Jilin Chemical Corporation has also exercised strict control over its bonus distribution. Now Jilin Chemical Corporation still enjoys a bonus fund balance, which stands at over 50 million yuan. Should such an amount of money be distributed to the staff and workers as bonuses, the staff and workers of Jilin Chemical Corporation would each receive an additional 500-600 yuan. The staff and workers of Jilin Chemical Corporation said: "It is necessary to distribute bonuses to us, but bonuses should only be used as an incentive, not something else."

Party Members and Cadres Should Take the Lead

On a winter night in 1986, it snowed heavily in Jilin City. Wang Qundong, a party member and a bulldozer driver of the Dyestuff Factory of Jilin Chemical Corporation, was awakened by the strong snowstorm at midnight. Wang Qundong immediately got up and went to his factory. He drove his bulldozer to all the main streets of Jilin Chemical Corporation to clean up the snow on the ground so that tens of thousands of staff and workers of Jilin Chemical Corporation could come to work on time the next day. [passage omitted]

Jilin Chemical Corporation has always adhered to its voluntary labor system. The party members and cadres of Jilin Chemical Corporation have always been able to take the lead in accomplishing urgent, difficult, dangerous, and heavy tasks. On 4 June, when the counter-revolutionary rebellion broke out in Beijing, some 1,120 party members and cadres of Jilin Chemical Corporation went to the factory to repair an alkali tower. Some 200,000 porcelain rings on the alkali tower had to be replaced and the replacement would cost 200,000 yuan. Under such circumstances, the party members and cadres decided to wash the old porcelain rings one by one. Their work continued till 7 June when they eventually had all the old porcelain rings washed. As a result, they saved a lot of money for their enterprise. [passage omitted]

The 20,000 party members and cadres of Jilin Chemical Corporation have always been the backbone in fostering and practicing the "Spirit of Jilin Chemical Corporation." In the last 10 years, the 20,000 party members and cadres of Jilin Chemical Corporation have led the broad masses of staff and workers of Jilin Chemical Corporation in all types of endeavors and have finally turned an old and obsolete enterprise into the biggest modern chemical industrial enterprise in China. In 1988, the total output value of the Jilin Chemical Corporation reached 2.72 billion yuan while the profit tax turned over to the state by Jilin Chemical Corporation reached 1.2

billion yuan, which represented a 2.38-fold increase and a 3.17-fold increase respectively compared with 1980. Of its 174 major products, some 93 products produced by Jilin Chemical Corporation have been commended as quality products by the Chinese Ministry of Chemical Industry and Jilin Province respectively and have been awarded 5 gold and 11 silver medals by the state. Moreover, in the last 10 years, Jilin Chemical Corporation has also transferred more than 20,000 technical workers and cadres to various parts of China. The great achievements made by Jilin Chemical Corporation in the last decade have fully displayed the superiority of a socialist enterprise.

Varied Ore Deposits Found in 'Sanjiang' Valley

OW2009121889 Beijing XINHUA in English
0907 GMT 20 Sep 89

[Text] Kunming, September 20 (XINHUA)—Over the past 40 years Chinese geologists have found nearly 1,000 ore bodies in dozens of varieties in the valleys of the Jinsha, Lancang and Nujiang Rivers.

The three rivers flow south from the Qinghai-Tibet Plateau through the Hengduan Mountains and across Qinghai, Sichuan and Yunnan Provinces and the Tibet Autonomous Region, forming a drainage area of 550,000 sq km called the "Sanjiang" (three rivers) valley.

The complicated geological structure and the active magma in the valley provide advantageous conditions for the process of mineralization. In the early 1950s, the valley was listed by the state as a key area for mineral prospecting.

So far, 35 varieties of ores, 158 ore deposits and nearly 1,000 ore bodies, mainly nonferrous metals, have been discovered in the valley.

The Lanping lead-zinc deposit, discovered in 1958 in Yunnan Province, was the first exceptionally large deposit found in the valley. Thereafter, a large copper deposit and a large silver-lead-zinc deposit were discovered respectively in Tibet and Sichuan. Other nonferrous metals, such as gold, antimony, tin and nickel, as well as iron and chromium have also been discovered here.

The present verified reserves of lead, zinc, copper and silver in the valley are from one fifth to one fourth of the country's total, while the reserves of rare metals such as strontium and cadmium are half of the country's total.

Nonmetal ores have also been discovered here, including rock salt, sylvite, asbestos, plaster stone and precious stones.

Experts said that the rich resources of water power, terrestrial heat, timber and coal in the valley will provide plenty of energy for the exploitation of the ores here.

Progress in Agricultural Modernization Noted

OW0510065789 Beijing XINHUA Domestic Service
in Chinese 1307 GMT 3 Oct 89

[“Local Broadcast News Service”]

[Text] Beijing, 3 Oct (XINHUA)—(By reporter Ji Bin [1213 2430]) After 40 years of hard work, particularly during the 10 years of reform, China has broken out of the narrow confines of traditional agriculture and, from a new starting point, has begun to forge ahead toward agricultural modernization.

The party and government have formulated a strategic principle for promoting agricultural development in China, which is to gradually transform traditional agriculture into modern agriculture by relying on the advancement, popularization, and application of science and technology. The prosperous development of the national economy after the founding of the PRC has paved the way for this transformation. Some 30-40 percent of the growth in China's total agricultural output value in the past 8 years has been achieved by relying on scientific and technological advancement. The hastening of the pace of this transformation has placed China at a new starting point from which to modernize its agriculture. This new starting point can be recognized in the following 12 areas.

Improvements of water conservation facilities and higher standards of farmland irrigation: In 1988 some 666 million mu of farmland were brought under irrigation, more than double the 1952 figure. The acreage of irrigated farmland now accounts for 41.6 percent of the total area of cultivated land, up from 24.5 percent in 1957.

The increased importance of electricity as an energy source for agricultural production: In 1988 the amount of electricity used in China's rural areas was more than 500 times the amount used in 1957.

Utilization of agricultural machinery to change the production situation from one of complete dependence on manual labor and draft animals: Mechanized acreage currently accounts for 42.5 percent of the total area of cultivated land, up from 2.4 percent in 1957; and the quantity of farm machinery is more than 290 times the amount in 1952.

The substitution of high-yield, fine-strain crop varieties for traditional conventional crop varieties: In 1949 China popularized fine-strain seeds for major crops such as paddy, wheat, and cotton on 10 million mu of land, accounting for 6 per 10,000 of the total acreage of cropland at that time. By 1988 China had cultivated more than 3,000 types of seeds for more than 40 kinds of crops. More than 2,500 types of seeds were applied in the field, including the more than 300 varieties which were popularized on farmland larger than 1 million mu. Output has been considerably increased. In the areas of

animal husbandry and fishbreeding, large numbers of fine-strain pigs, cattle, and goats have been bred and popularized.

The wider use of chemical fertilizer as an important resource for increasing crop output: While persistently using organic fertilizer effectively, the peasants have also widely applied chemical fertilizer. As of 1988, the amount of chemical fertilizer for agricultural use applied throughout China amounted to 21.42 million metric tons, 56 times more than in 1957, averaging 15 kg per mu of cultivated land; the comparable figure in 1957 was only 0.2 kg per mu of land.

The wide application of cultivation by means of plastic sheeting: By 1987 this method of crop cultivation, which the peasants have come to call "magic sheets," had been used in cultivating more than 80 kinds of crops on 34 million mu of land throughout China, making China the world's largest user of the plastic sheeting technique.

The application of modular crop cultivation techniques: According to 1987 statistics, this technique has been popularized on more than 200 million mu of fields.

The development of a system to prevent and control plant diseases and insect pests: China has worked out a set of fairly complete and effective technical measures for the prevention and control of plant diseases and insect pests and has basically controlled the diseases and insect pests for 25 major crops.

The formation of a contingent of researchers in agricultural science to undertake projects spanning several disciplines: In 1988 there were 1,130 scientific research units throughout China at or above the prefectural level, composed of 128,000 workers and staff engaged in studying the mechanization of agriculture, animal husbandry, and fishery. Some 10,000 people in colleges and agricultural institutes throughout China were also engaged in scientific research. The majority of agricultural scientists have worked together with peasants in scoring great achievements in agricultural scientific research. Twenty-two of the 32 prizewinning inventions announced at the first national exhibition of inventions in 1985, and which have acquired an accumulated economic benefit of more than 100 million yuan, were agricultural inventions.

The gradual development of a network for the popularization of agricultural technology: At present the whole country has basically formed a fairly comprehensive network for the popularization of technology in agriculture, animal husbandry, and fishery. This network is made up of professional institutions, which constitute the backbone force; are integrated with mass organizations; and coordinate the efforts of units at the same, upper, and lower levels. There are more than 200,000 institutions at all levels for popularizing technology

throughout China in addition to the technology popularization centers established in 1,003 counties that conduct experiments, demonstrations, and training, and popularize technology.

Popular science being brought to the village level: Ninety-eight percent of the counties in China currently have established scientific and technological associations designed to popularize scientific knowledge, and 85 percent of the townships and towns have established some 47,000 popular science societies with 4.16 million members.

The formation of a multilevel rural educational system: China has established a four-level agricultural education network that incorporates higher education, secondary education, and technical training for agricultural cadres and peasants. China now boasts 403 institutes of higher education and technical secondary schools in agriculture and forestry, which have trained a total of 1.386 million people.

Agronomist on China's Agricultural Achievements

*OW2709204089 Beijing XINHUA in English
1456 GMT 27 Sep 89*

[Text] Beijing, September 27 (XINHUA)—China has successfully fed its 1.1 billion people—22 percent of the world's total—with seven percent of the world's combined cultivated land, a Chinese agronomist said here Monday.

Lu Liangshu, president of the Chinese Association of Agricultural Science Societies, called this achievement "a global wonder".

He said that China's per-ha grain yield is 3,630 kg at present in 1988—250 percent higher than the figure in 1949, when the People's Republic was founded, and this increase rate is higher than the world average.

However, Lu called for particular attention to be paid to current difficulties and problems such as natural disasters, shrinking cultivated land and investment, and increasing population and consumption.

To fulfill the objective of quadrupling the the country's 1980 industrial and agricultural output value by the year 2000, the State Council has decided to develop 10 medium- and low-yield plain areas near China's major rivers and along the coast.

Meanwhile, Lu continued, with the constant upgrading of the people's living standards, the issues of supplying high-quality protein and improving food composition are becoming increasingly important. Scientists are trying to find the most economic and feasible ways, including developing soybean production and other low-price but high-protein crops, Lu said.

East Region

Fujian Organizes Study Sessions on Jiang's Speech

OW0710113689 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 2 Oct 89

[Text] The provincial party committee has organized study sessions for cadres and the masses to view and listen seriously to television and radio broadcasts of Comrade Jiang Zemin's important speech at ceremonies celebrating the PRC's 40th founding anniversary. It also has issued a circular urging all localities to assiduously study the speech, to reach a consensus on the understanding of the 10 major issues confronting the party and the state, and to carry forward all current tasks.

On the afternoon of 29 September, leading comrades of the provincial party committee Standing Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Chinese People's Consultative Conference Committee, and the provincial Discipline Inspection Commission watched and listened to the television and radio broadcasts of the speech. Localities, departments, schools, colleges, enterprises, and institutions also organized similar sessions for cadres and the masses.

Some units even held seminars. Participants in those seminars agreed that Comrade Jiang Zemin's speech marked the first time that the party's third-generation leadership had made public to the party, the nation, and the world its general principles for governing the party and the state. They considered the speech to be a review of the past and an assessment of future prospects. They believed that the speech would play a significant role in further unifying the thinking of the party, the military, and the people; in strengthening the resolve to uphold socialism; and in advancing the policies of reform and opening to the outside world.

The circular issued by the provincial party committee on 30 September stressed the need to accomplish all current tasks through the study of the spirit of Comrade Jiang Zemin's speech. At present, the circular stated, it is necessary to sort out problems, fight corruption, and carry out the work of party building. It is also necessary to do a good job of carrying out reform and opening to the rest of the world; to concentrate on industrial and agricultural production; to take care of the people's livelihood; and to ensure the successful completion of all tasks currently facing Fujian.

Shandong's Li Jiulong at National Day Soiree

SK2909072789 Jinan Shandong Provincial Service
in Mandarin 2330 GMT 28 Sep 89

[Text] A theatrical soiree for veteran cadres of the Jinan Military Region who are living in Jinan was convened at the assembly hall of the Political Department of the Jinan Military Region on the evening of 27 September.

Li Jiulong, Song Qingwei, Lin Jigui, and Cao Pengsheng, leading comrades of the Jinan Military Region; Kong Shiquan and Rao Shoukun, members of the Central Advisory Commission; Xiong Zuofang, Zhang Rusan, and Pan Qiqi, members of the National Committee of the Chinese People's Political Consultative Conference; and several hundreds of veteran cadres happily gathered under the same roof to mark the festival.

Cai Renshan, vice chairman of the Political Department of the Jinan Military Region, presided over the soiree. Cao Pengsheng, deputy political commissar, made a speech at the soiree.

On behalf of the party committee, the organs, and all commanders and fighters of the Jinan Military Region, he extended festive greetings and lofty respects to the veteran comrades retired from the region who had made great contributions to liberating and building the motherland and building and developing the People's Liberation Army [PLA].

In his speech, Cao Pengsheng spoke highly of the veteran comrades' great achievements and called on all commanders and fighters of the region to respect and learn from veteran comrades, and to be devoted to building a revolutionary, modern, and regularized PLA.

At the soiree, troupes organized by veteran cadres of five big units stationed in Jinan gave theatrical performances, including modern drama, Beijing opera, folk art, and revolutionary songs.

Central-South Region

Hunan Governor Inspects Town Enterprises

HK0410092089 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 3 Oct 89

[Excerpts] When inspecting township and town enterprises in Changsha county yesterday, Governor Chen Bangzhu pointed out that township and town enterprises have devoted themselves to the drive to reinvigorate the rural economy, and to develop education and public health in the countryside. It is necessary to further develop township and town enterprises in our province while having them readjusted. The output of township and town enterprises in Changsha county has ranked first in all other counties and cities in the past few years. Their development has made all trades in the rural areas grow prosperous and raised the living standards of peasants steadily. [passage omitted]

Yesterday the governor first inspected the (Gutang) Township Textile Mill, the (Langli) Town Transformer Plant, and two households specializing in fish breeding and poultry raising in Changsha county. The (Gutang) Township Textile Mill was built with funds allocated to peasants by the government when it commandeered land for building Huanghua Airport. The governor highly praised such a practice of killing two birds with one stone and hoped that the township government would arouse

peasants to grow more cotton to solve the problem of raw materials with self-reliance. [passage omitted]

Shenzhen Economy Develops Over Last 9 Months

OW1110215089 Beijing XINHUA in English
1600 GMT 11 Oct 89

[Text] Shenzhen, October 11 (XINHUA)—Official figures published today show that Shenzhen's economy developed smoothly in the first three quarters this year, according to the Shenzhen Statistical Bureau.

Industrial production for the first nine months of the year amounted to 7.844 billion yuan (about 2.1 billion U.S. dollars), a 31.7 percent increase over the figure for the same period last year.

Investment in capital construction amounted to three billion yuan (about 0.8 billion U.S. dollars), a rise of 54.7 percent. The completed building area was 1.74 million square km., an increase of 26.7 percent.

Total turnover of the retail trade in the past nine months was about 4.1 billion yuan (about 1.1 billion U.S. dollars).

Accumulated revenue during the past nine months was 1.3 billion yuan (0.37 billion U.S. dollars), an increase of 59.9 percent.

Revenue for September surpassed 200 million yuan (about 54 million U.S. dollars), setting a record.

Total value of imports and exports during the past three seasons amounted to about 5.8 billion U.S. dollars, representing a growth of 27.5 percent.

Exports brought about 3 billion U.S. dollars, a 37.6 percent increase, and imports about 2.7 billion U.S. dollars, a rise of 18 percent.

By the end of September, foreign exchange income settled by banks amounted to 600 million U.S. dollars, a decrease of 13.8 percent on the figure for the corresponding period last year.

Guangxi Calls for Learning From Model Workers

HK1110100689 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 10 Oct 89

[Excerpts] The regional party committee and government this morning held a meeting giving lectures by Guangxi representatives attending the national conference for commending model workers and advanced workers. The meeting was held at the Regional People's Government Auditorium.

The meeting, which was presided over by regional party committee deputy secretary Tao Aiying, conveyed the essence of the national commendation conference. [passage omitted]

Regional party committee secretary Chen Huiguang delivered a speech. Chen Huiguang, Tao Aiying, Li

Zhenqian, and other regional leaders called for giving wide publicity to progressive experiences and deeds of model workers and advanced workers and launching a drive to learn from model workers and advanced workers.

Qin Yingji, Huang Yun, Gan Ku, Liu Mingzu, Xiao Xuchu, Shi Zhaotang and other leading comrades attended the meeting. [passage omitted]

Southwest Region

Sichuan PLA Committee Hails Jiang Zemin Speech

HK0510002189 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 4 Oct 89

[Excerpt] On 30 September, the Standing Committee of the Chengdu Military Region party committee organized those Standing Committee members present to study seriously and discuss Comrade Jiang Zemin's National Day speech. Wan Haifeng, secretary of the party committee and political commissar, said that through studying this speech, we understand more clearly that our armed forces, which carry out the party's tasks, must at all times and in all circumstances adhere to the principle of having the party command the gun, obey the party leadership, and maintain a high degree of unity with the CPC Central Committee in politics, ideology, and action.

During their study, the Standing Committee members held that General Secretary Jiang's speech is very incisive. Through coolly reviewing and summing up the past and reflecting on the future, we clearly realize that hostile forces have never abandoned their efforts to subvert China's socialist system. As the great wall of steel defending the socialist motherland, the People's Army can only remain politically up to the mark at all times by keeping clear headed on this point.

On the afternoon of 1 October, the party committee of the provincial Armed Police Force held a Standing Committee meeting to study seriously Comrade Jiang Zemin's important speech. [passage omitted]

Tibetans Comprise 10% of Tibet Military Officers

HK0510031589 Beijing CHINA DAILY in English
5 Oct 89 p 3

["Special to CHINA DAILY"]

[Text] The Tibetan Military Area Command (TMAC) has trained 3,000 Tibetan nationality officers and since its founding 30 years ago, about 2,000 of them have been assigned to work in localities when they retire.

One in every 10 officers on active service in the TMAC is a native Tibetan, a high-ranking TMAC official says.

"The quality of these officers are satisfactory," he said, adding that many of them had been selected to study in

military academies of the country. Now 80 percent of them have received 10 or more years of education.

He went on that they were "reliable politically" because in part the overwhelming majority of these officers used to be serfs or descendants of serfs before the democratic reforms in Tibet in 1959, hitherto 95 percent of them joined the Chinese Communist Party. [sentence as published]

Tibetan nationality officers, whose number reaches about 1,000, can be found in every stratum of TMAC leadership. Up to now 16 are division or army commanders and 164 of them hold above-major ranks. They engage in such works as political education, logistics and scientific and technological works besides tactics.

Northwest Region

Gansu Circular Calls for Study of Jiang Speech

HK0810013789 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 7 Oct 89

[Excerpts] The Gansu Provincial CPC Committee yesterday issued a circular to the whole province on seriously studying and implementing Comrade Jiang Zemin's National Day speech. The circular included the following contents:

1. Seriously study and appreciate the speech to unify understanding. In studying Comrade Jiang Zemin's speech, the focus must be on enhancing understanding and unifying thinking, for instance, on issues such as how to view the achievements of the 10 years of reform and the existing problems; how to view the turmoil and counterrevolutionary rebellion in the spring and summer this year, and the measures taken by the CPC Central Committee to stop the turmoil and quell the rebellion; how to view and handle the dialectical relationship between adhering to the four cardinal principles and persevering in reform and opening up; how to continue to carry out the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and correctly pursue reform and opening up even better; and how to better step up party building and give full scope to the core leadership role of the party, and so on.

Through studying this speech, we should ensure that the comrades inside and outside the party will further enhance understanding on these major issues and bring their thinking into line with the spirit of the speech.

2. Have a clear idea of the focal points in study and appreciate the spiritual essence of the speech. [passage omitted] We must in particular seriously study and appreciate the 4 basic conclusions and the 10 major issues for which special attention is required to unify thinking, as proposed by the speech. We must have a thoroughly clear idea on the 4 conclusions and the 10 issues, and appreciate their spiritual essence. Only thus can we have a firm and correct political orientation, clearly understand the guiding ideas on work, and prevent leftist or rightist deviations.

3. Promote all work in close connection with reality. In studying Comrade Jiang Zemin's speech, we must vigorously carry forward the fine study style of linking theory with reality and implement the spirit of the speech in all our work. At present, guided by the spirit of the speech, we must continue to devote efforts to getting a good grasp of the four major tasks proposed by the fourth plenary session. [passage omitted]

4. The leading cadres must take the lead in study. This is the key to studying and implementing the speech well. [passage omitted]

5. Grasp the ideological trends and step up propaganda. Vigorously publicizing the spirit of Comrade Jiang Zemin's speech is an important task in ideological and political work, and in propaganda work, in the coming period. We must strengthen leadership over propaganda for the speech. [passage omitted]

Gansu Military Region Hails Jiang Speech

HK0610012789 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 5 Oct 89

[Text] In the past 2 days, in conjunction with the realities of the units, the Standing Committee of the Lanzhou Military Region party committee has seriously studied CPC Central Committee General Secretary Jiang Zemin's important National Day speech. The members unanimously held that this speech is a programmatic document guiding the current work of the whole party and is of major guiding significance for socialist construction.

The Standing Committee members said in the course of study and discussion: Comrade Jiang Zemin's speech fully affirmed the status and role of the People's Army in the socialist construction period. It explained that the People's Liberation Army was important not only in the war years, but also in the period of socialist construction. The People's Army will always be the defender of the state and of the people's interests.

LIAOWANG Views Movement for Independence*HK0910144089 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 42, 2 Oct 89 p 23*

[Article by Zhu Xianlong (2612 7359 7893): "A Comment on the Tendency of Taiwan Independence Reflected at the 16th Annual Meeting of the 'Federation of Taiwan Fellow Provincials in the World'"]

[Text] The 16th annual meeting of the "Federation of Taiwan Fellow Provincials in the World" was held on 10 August and closed on 13 August. With the convening of the meeting, a "whirlwind of Taiwan independence" was blown on the island, and those elements who preached Taiwan independence and entered the island illegally were truly "in the limelight." They urged the formulation of the so-called "new constitution of Taiwan" through legislative procedure to attain the objective of "Taiwan independence." This was the first time for those elements to carry out a campaign of Taiwan independence in such a big and planned way on the island.

The current annual meeting of the "Federation of Taiwan Fellow Provincials" was the second annual meeting of the federation held on the island. Its 15th annual meeting last year was the first annual meeting held on the island. The current annual meeting was convened when the elements of Taiwan independence were stepping up their infiltration into the island, and the forces of Taiwan independence abroad were actively "extending" themselves to the island. The entire annual meeting was full of the hue and cry of Taiwan independence.

The current annual meeting intended to make use of the anticommunist clamors in the world and on the island, so that the idea of "Taiwan independence" could strike a deeper chord in the hearts of the people on the island. In this connection, they increased their stake and openly chanted the slogan at the annual meeting "Establishing new Taiwan, formulating a new constitution, and founding a new country."

The "Federation of Taiwan Fellow Provincials in the World," as its name implies, is a nongovernmental organization of a nature of the federation of fellow townsmen. According to its name, its activities were originally beyond reproach. However, in recent years some people have made use of the name of the "Federation of Taiwan Fellow Provincials in the World," and have actually manipulated the organization. The activities and demands of the organization have obviously been imbued with a political tendency. Under the cloak of democracy, it has been peddling the ideas of Taiwan independence. This has exceeded the scope of activities of a federation of townsmen. This has inevitably arrested the attention of public opinions both at home and abroad.

The theme of the annual meeting was "establishing a new Taiwan." Discussions on the four special topics, including the "new constitution of Taiwan," "new

society of Taiwan," "new culture of Taiwan," and "new environment of Taiwan," were carried out. Of these four topics, what merited people's greatest attention was the "new constitution of Taiwan." Compared with the last annual meeting, the current annual meeting went further regarding the issue of Taiwan independence because it already discussed the problems such as the "procedure of independence," "the result of independence," and so on.

Taiwan in the present stage is undergoing changes. Its social, political, and economic problems have piled up. The public in Taiwan has been eagerly longing for a "new society which can satisfy the demand of all Taiwan people in their life," and stressed that "establishing a new Taiwan" is a manifestation of showing concern for one's native soil. However, those people in the "Federation of Taiwan Fellow Provincials in the World" who preach Taiwan independence have squeezed their own stuff into the slogan. This has violated the interests of the majority of Taiwan people and will be no good for the social progress of Taiwan. No wonder some public opinion on the island pointed out: They instigated the Taiwan independence movement without considering the common desires of the residents of Taiwan as a whole.

The current annual meeting of the "Federation of Taiwan Fellow Provincials in the World" not only vigorously preached Taiwan independence, but also "pulled the ears of others" to follow them. They put pressure or arbitrarily pinned political labels on those who refuse to talk about Taiwan independence. This was markedly reflected in the special discussion of the annual meeting of the "Federation of Taiwan Fellow Provincials in the World" on the issue of a "new constitution." On that day, a person who attended the meeting as a nonvoting delegate asked: The "Federation of Taiwan Fellow Provincials in the World" has advocated Taiwan independence and the establishment of a new country. If the majority of the people do not accept this, will it refrain from talking about the establishment of a new country? Will it talk about the subject again in 20 years? This unexpectedly caused a sensation at the meeting, and some persons intended to beat the speaker. After the reconciliation made by security guards, the speaker left the meeting and the dispute was suppressed. Such a high-handed act which only allowed those elements to talk about Taiwan independence but completely neglected other people's questioning could only arouse the suspicion of the people on the real intention of the organizers of the meeting.

The majority of the participants of the annual meeting of the "Federation of Taiwan Fellow Provincials in the World" held on the island were mostly members of the "Federation of Taiwan Independence." They are figures of Taiwan independence whom the Taiwan authorities prohibited from entering the island for a long time. Their open and ostentatious public appearance on the island caused an outcry in the Taiwan society. Mass media repeatedly questioned the authorities how these figures had entered the island, but no satisfactory answer has

been given. It was not surprising at all that these "illegal intruders" openly chanted the slogan of Taiwan independence on the island and that certain people echoed the slogan. What was surprising was that the Taiwan authorities refrained from using the "state security law" to punish them for their "crime of insurgency," "crime of instigation," and "crime of dividing the state." This greatly differs from what the Taiwan authorities did a few years ago. This has shown that the space for activities given to the "Taiwan independence" elements in Taiwan has been widened. There is a strong tendency that those elements of "Taiwan independence" abroad are moving to Taiwan to whip up the public opinion of "Taiwan independence," trying to manipulate various opposition factions on the island.

In the meantime, some dissidents on the island also chimed in with the "Taiwan independence" forces abroad to sing the tune of "Taiwan independence," "new country," and "new constitution." They have established "contacts" with them and intended to use the slogans of the "New country," "New constitution," and "New Taiwan" to take part in the election at the end of this year. Men of insight inside the island can only all these. Huang Hsin-chieh, the present chairman of the Democratic Progressive Party stated: "If Taiwan announces its independence, nobody can guarantee the stable livelihood of the Taiwan people." He urged "all those who chant the slogan of 'Taiwan independence' to consider carefully the sequel brought about by 'Taiwan independence.' Otherwise, this is not a responsible action." Chang Chun-hung, present secretary general of the Central Committee of the Progressive Democratic Party, stressed: "Opposition figures must regard the people as their teachers, constantly pay attention to the demand and response of the majority of the middle class, and understand the development of the objective situation as a whole in order to carry out their opposition campaign." He also warned: "If they always shout the slogan of 'Taiwan Independence,' this can only harm Taiwan, rather than cherish it."

According to the report, the recent activities of the elements of "Taiwan independence" are connected with the activities of certain foreign politicians. Shortly before the convening of the annual meeting of the "Federation of Taiwan Fellow Provincials in the World," Solarz, a U.S. Democratic congressman and chairman of the Subcommittee on Asian and Pacific Affairs under the House of Representatives, conducted a "public opinion poll" on the future of Taiwan among 12,000 Taiwanese in the United States. It was alleged that according to the results of the poll, 99.3 percent of the respondents favored "self-determination on the future of Taiwan by the people," and 89.51 percent favored "Taiwan independence." The results surprised people both at home and abroad, and was truly unbelievable.

1. People cast doubt upon whether the results of the poll could represent the views of the majority. It was learned that the namelists of those who were interviewed were

provided by some pro-"Taiwan independence" Taiwanese abroad. Taiwanese organizations in the United States, such as the "Federation of Taiwan Fellow Towns-men," the "Welfare Association of Taiwan Fellow Provincials," the "Hakkas Federation in Eastern America," the "Branch of the Hakka General Association of the World in Eastern America," and so on, did not receive any questionnaires. Just as Chu Hai-yuan, professor of Taiwan University and research fellow of the Nationality Institute under the "Central Research Institute," pointed out: "Something has gone wrong with the respondents to Solarz's questionnaires. For example, some of them are not members of Taiwan federation of fellow townsmen. They cannot represent all Chinese abroad. That is why the percent of those who favor Taiwan independence on the island is greatly different from the percentage of those abroad (5 percent to 89 percent)." Li Wen-lang, professor of sociology at the Ohio State University, also pointed out: "The results of the poll obtained from interviewing such people can only reflect the opinions of the interviewees. They cannot be regarded as the views of all Taiwanese in the United States."

2. Solarz is an American congressman. He has always had his inclination regarding the "future of Taiwan." While conducting his poll, he inevitably had his own predetermined stand. This could be discerned from the respondents to and the designs of his questionnaires.

However, we must understand that in international politics, there is absolutely no such issue as the "future of Taiwan." There is only the issue of the reunification of China. It is known to all that judging from both the historical and international angle, Taiwan is an inalienable part of China. Therefore, we can come to the following conclusion: What Solarz did has obviously forced his views on others and created public opinion for "Taiwan independence." To counter the poll conducted by Solarz, Chu Wen-kuang, professor at the California State University in the United States, pointed out: "'Taiwan independence' does not work whether it is from our national feelings, practical reality, or an economic angle." He stressed: "There is no condition for Taiwan's independence." "Once independence is announced, everything will be thrown into confusion." He continued: "Many Taiwan residents come to the mainland to seek their roots. Because of their national feelings, they will never cut off relations with their native land."

Rules Relaxed on Ex-Soldiers' Resettlement

OW0710021489 Beijing XINHUA Domestic Service
in Chinese 1030 GMT 4 Oct 89

["Local Broadcast News Service"]

[Text] Hong Kong, 4 Oct (XINHUA)—According to Taiwan newspaper reports, the "Mainland Task Force" of Taiwan's "Legislative Yuan" has decided that former Taiwan soldiers still living on the mainland will be

allowed to live in Taiwan for a short period to gain first-hand knowledge about life in Taiwan before they decide whether to live there permanently or not.

The reports say: According to previous regulations, all former Taiwan soldiers who returned to Taiwan from the mainland were not allowed to go back to the mainland, either for the purpose of visiting their relatives or for residence. However, some former Taiwan soldiers who returned to the island found themselves unable to adjust to life there. In light of this, the "Mainland Task Force" has decided to allow former Taiwan soldiers living on the mainland to have a "trial residence period" from 1 to 3 months before they settle permanently in Taiwan.

Liu Pengchun, director of the "Immigration Bureau of the Ministry of Interior Affairs," pointed out: Former Taiwan soldiers who come to Taiwan from the mainland may apply to the "Immigration Bureau" for permission to return to the mainland, provided their stay in Taiwan has not exceeded 3 months. Those who are permitted to return to the mainland may apply for re-entry to Taiwan for permanent residence here within 6 months of their departure from Taiwan. This provision also applies to the spouses of former Taiwan soldiers who accompany the soldiers. However, if the former Taiwan soldiers and their spouses stay more than 6 months on the mainland after their return, they will not be permitted to come back to Taiwan again.

Commentary Cites CIA Report on Mainland Economy

*OW081004489 Taipei International Service
in English 0200 GMT 6 Oct 89*

[Station commentary by Joanna Fu: "CIA Down on Peking"]

[Text] The economy of Communist China is poised to go to pot. This is according to the American Central Intelligence Agency, or CIA. Commentary for the Voice of Free China, I'm Joanna Fu.

In a nonsecret report given to the U.S. Congress in late September, the CIA paints a gloomy picture of the economic prospects in Communist China. The CIA analysis comes on the heels of the 4 June Tiananmen massacre and the ensuing crackdown on the pro-democracy movement in Mainland China.

The report says that the economic reform program of Teng Hsiao-ping [Deng Xiaoping] and ousted Communist Party chief Chao Tzu-yang [Zhao Ziyang] came to a screeching halt in June. The reforms are now bogged down due to the removal of Chao's patronage, and due to the return of Marxist hardliners who appear to have gained the upperhand in a fierce power struggle. The hardliners have re-introduced the central planning, strict controls, and orthodox ideology, all of which are major roadblocks to the revival of the economic reforms of the past 10 years.

The CIA observes that this outcome of the power struggle spells deep trouble for an already shaky mainland economy. In practical terms, the CIA observes that foreign investment, foreign orders for mainland exports, and the valuable income from foreign tourism all have dropped drastically since June. It reports that the crackdown has already cost Peking's US\$100 million a day in export earnings, and nearly US\$1 billion in tourism revenues. Last year, earning from foreign tourists totaled some US\$2.2 billion; this year the total has reached only US\$1.5 million, a substantial or even critical loss of foreign exchange revenues.

The CIA predicted that the hardliners' preoccupation with ousting remnant Chao Tzu-yang supporters, and with reestablishing their own rigid controls, will preclude any chance of their formulating new solutions to the mainland's economic woes. Another factor in Communist China's economic digression is (seen from) military spending, said the CIA. After the June demonstrations, and the ensuring return to power of hardliners, military spending has sharply increased. The reallocation of precious few dollars to fund the military crackdown is taking a heavy toll on the mainland economy. In the past decade, military spending actually declined from 10 percent of GNP to around 4 percent. But this trend has apparently been reversed since June, spelling more doom for the economy.

Meanwhile, the CIA says that foreign confidence in the mainland economy will remain weak so long as the

crackdown continues, and the power struggle remains a question mark. Most foreign businessmen are finding it increasingly difficult to convince themselves that the mainland political system is stable enough for their return.

The CIA's rather blunt report is likely to dampen further any thoughts foreign businessmen have entertained about returning to or starting a business in Communist China. The Chinese Communists have obviously cut off their economic nose to spite their political face. Tiananmen looms as another major setback in the economic development in Mainland China.

Government Discourages Investment in Mainland

*OW0710090089 Taipei CNA in English
0238 GMT 7 Oct 89*

[Text] Taipei, Oct. 7 (CNA)—Economics Minister Chen Li-an said here Friday that since the Peking regime has not ruled out trying to take Taiwan by force, the government could not for the time being encourage local enterprises to invest and to establish technological ventures on the Chinese mainland.

In reply to a query from Legislator Chang Shih-liang at the Legislative Yuan, Chen said that the draft act on relations across the Taiwan Straits stipulates that the people or legal representatives in the Taiwan area are forbidden to invest on the Chinese mainland.

Many local labor-intensive industries have already shifted their factories to Southeast Asian countries, indicating that there is still room in the region for local labor-intensive industries to continue developing without Mainland China, Chen said.

Meanwhile, Ma Ying-jeou, secretary general of the Cabinet Ad Hoc Committee on Mainland Affairs, told the Legislative Yuan that the government had not yet considered lifting its ban on public functionaries visiting their relatives on China mainland.

It is also not the proper time to lift the restriction on direct commercial exchanges and tourism for the general populace, Ma stressed.

Ma promised, however, that the government would continue to readjust its mainland policy from time to time depending on the situation on the mainland.

He made the remarks in reply to an interpellation raised by Legislator Lee Sen-fong.

Power Company Not Considering Buying PRC Coal

*OW0610082389 Taipei CNA in English
0253 GMT 6 Oct 89*

[Text] Taipei, Oct. 6 (CNA)—Taiwan Power Company [Taipower] is not considering the purchase of coal from the Chinese mainland even though Chinese Communist authorities are offering special low prices.

A spokesman for Taipower said that the state-run enterprise has no plans to buy the mainland coal simply because a continuing supply can not be guaranteed.

Taipower recently received a Chinese mainland offer to sell coal at a price one-third below the international market.

As the mainland's coal output can not even satisfy its own needs, the spokesman said that it was probable that Peking's coal exports would be based on political considerations.

Because of this, he added, Taipower was not tempted by the low-priced offer from the Chinese mainland.

Foreign Minister Comments on Diplomatic Efforts

Improving Polish, Hungarian Ties

OW0710203989 Taipei CNA in English
1500 GMT 7 Oct 89

[Text] Taipei, Oct. 7 (CNA)—The Republic of China [ROC] Government will center efforts on improving relations with Poland and Hungary which are well on the way toward democratization and liberalization, Foreign Minister Lien Chan said Saturday.

Replying to Legislator Ma Ke-jen's interpellation at a Legislative Yuan committee meeting, Lien said that as the two East European countries have had breakthroughs in their political and economic developments, the Republic of China will strengthen trade and economic relations with them.

He pointed out that the ROC has been maintaining trade and economic ties with the two East Bloc countries, and the nation's cooperative ties with them have become closer in recent months.

Depending on the development of bilateral ties, Lien added, the government will continue to strengthen cooperation with them in the technological and cultural fields.

As Poland and Hungary can be called "newly democratizing countries," the ROC, as a sovereign state, will give them needed assistances and show concern over their future development, the minister noted.

Latin America Visit, Saudi Ties

OW0710203589 Taipei CNA in English
1430 GMT 7 Oct 89

[Text] Taipei, Oct. 7 (CNA)—Foreign Minister Lien Chan said Saturday that he would visit Central and South America soon to strengthen the Republic of

China's [ROC's] diplomatic ties and to develop substantive relations with those countries which currently do not have diplomatic ties with the ROC.

Reporting on the world situation and the government's diplomatic policy to the Legislative Yuan, Lien said that after his recent trips to the Philippines and Europe, he was now planning to visit Central and South American countries.

He also said that the ROC would seek to establish diplomatic relations with those newly independent Caribbean and South Pacific island nations which hope to form friendship and cooperative ties with the ROC.

The ROC have diplomatic ties with a number of countries in Latin America and the Caribbean area. Political leaders from these countries have visited Taiwan in recent years and Salvadoran and Paraguayan presidents are tentatively scheduled to visit the nation next year, according to the minister.

Lien stressed that all Latin American and Caribbean political leaders who have visited Taiwan were impressed by its successful economic development and hoped to strengthen friendly cooperative relations with the ROC.

He pointed out the government has encouraged local industrialists to join in the U.S.-initiated Caribbean plan in recent years and has offered tax and other financial incentives for those participating in the plan.

Moreover, the ROC has established an overseas economic development fund to help friendly countries develop their economies, he noted. The fund has already approved loans for the Bes Engiering Corp. to build an export processing zone each in Costa Rica and Panama.

Lien also indicated that relations between the ROC and Saudi Arabia have been close and cordial. The 11th ROC-Saudi Arabia Economic Cooperation Conference is scheduled to be held in Taipei in November. Many ranking Saudi officials, including its finance and economics ministers, will come to attend the meeting.

Although Saudi Arabia and Communist China exchanged trade representatives recently, Lien said, the Saudi Government has repeatedly assured the ROC that its exchanges with Peking will be confined to economic and trade levels and that such exchanges will in no way affect its traditional relations and long-standing friendship with the ROC.

The foreign minister also said his ministry has appropriated 100 million new Taiwan dollars (about 3.9 million U.S. dollars) from its 1990 fiscal budget as a humanitarian fund to help poor developing nations recover from social and economic dislocations caused by natural disasters.

Hong Kong

Governor Delivers Annual Policy Speech

HK1210053189 Hong Kong SOUTH CHINA
MORNING POST in English 12 Oct 89 pp 14-16

[Text] Since I last addressed the Council at the beginning of a new session, we have been through difficult times together.

We have all been forcefully reminded how vulnerable Hong Kong is to developments which occur outside our borders over which we have no control.

In May and June, confidence in Hong Kong was badly shaken by the tragic events in China. People became more nervous about their future.

Investors have shown signs of being more cautious in assessing the territory's prospects. So we have a new challenge to meet and new problems to overcome. But this is not the first crisis that Hong Kong has had to confront.

When we have faced difficulties in the past we have emerged with new confidence and strength. Already there are ample signs that Hong Kong is showing its usual resilience; that we are facing up to our problems and finding solutions to them.

In my address today, I do not propose to review all areas of Government activity. Instead, I shall look back briefly at the main events of the past year, assess where we stand now and set out the ways in which your Government proposes to build for the future. During the next few weeks, policy secretaries will be making more detailed statements on Government policies falling within their own areas of responsibility.

Events in China

The tragic events in China had a traumatic effect on Hong Kong: an effect made all the more direct by the impact of television.

Much has been written and said about those events, both at the time and since. I do not intend to add to it now. The important point for us is that what happened in China created increased concern about the arrangements for Hong Kong's future.

A mark of this was the significant increase in applications for emigration and the widespread demands for the right of abode in the United Kingdom.

We have also seen intensified discussion about the right pace of progress towards a directly elected legislature and calls for the early introduction of a Bill of Rights. And the draft Basic Law has come under renewed scrutiny.

Despite this uncertainty and worry on the political front, our economy showed itself to be robust. Once again, we have been reminded how much our survival depends on the resilience of our businessmen and our workforce.

The tourist industry was affected, largely because of the wholesale cancellation of tours to China. But our manufacturing sector was relatively unscathed; and economic links with China, especially with Guangdong Province, have remained strong.

Our newly-reorganised financial institutions weathered the crisis and emerged with their reputations enhanced. Our linked exchange rate system proved its worth at a testing time.

The overall economic effect on Hong Kong of the events in China will probably be a slight check to the rate of our economic expansion.

The Financial Secretary's earlier estimate was that our GDP would grow by 6 percent this year, compared to 7 percent in 1988. This forecast has now been adjusted slightly downwards. But, even with this slightly lower forecast, Hong Kong should still enjoy a healthy level of growth by world standards.

On 1 July 1997, Hong Kong will become a Special Administrative Region of the People's Republic of China.

That is a fact that we must face, and face in a clear-headed way. Hong Kong is linked to China but, in another important sense, separate from it. That will continue to be the case in the future, under the concept of "one country, two systems".

We have our own laws and freedoms which we cherish. They must not be eroded.

Equally, we should use them with a sense of responsibility and self-restraint. For many years our community has recognised the importance of not becoming directly involved in China's often complicated domestic politics.

At the same time, given both the economic and political realities, there is every reason to expand our already close economic links with the mainland.

We can strengthen the basis of our special future political status by the contribution that we make to the modernisation of the Chinese economy and by the access to world markets, advanced technology and expertise that we can provide for China.

The Chinese Government has given repeated assurances that its policy towards Hong Kong has not changed.

It has also stressed that economic reform and openness to the outside world remain fundamental priorities. Both of these are important and welcome messages for Hong Kong.

We for our part have made it clear to the Chinese Government that action is needed to restore confidence in the arrangements for Hong Kong's future.

We need to restore mutual trust as the necessary cornerstone for the unprecedented political experiment that

will begin in 1997, the foundations for which must be laid securely in the next eight years.

Emigration

In the meantime, it is clear that more Hong Kong people now feel a need to hedge their bets or seek insurance policies overseas.

The Government predicted earlier this year that 42,000 people would leave Hong Kong in 1989. This estimate remains valid. But emigration levels are likely to be higher in the next few years.

As always, precisely how many will leave depends not only on events here and in China but also on the immigration policies of the countries that people wish to go to.

I have said many times that the Government will never prevent people from leaving Hong Kong.

I repeat that now.

I fully understand the dilemma that many families face in deciding whether to go or to stay. But I cannot pretend that I like seeing so many skilled and talented people leaving Hong Kong.

Not only does Hong Kong need them, but I am also well aware that many of them do not really want to go. We all know of families who would prefer to stay in Hong Kong but who have been uprooted and even separated for long periods.

I hope that many of them will return to Hong Kong and contribute to its future once they have obtained the security that they are seeking.

No matter how many people emigrate, the bulk of the population of Hong Kong—by then some six million people—will still be here in 1997 and afterwards.

These are the people for whom we must build a future. They are Hong Kong's future.

Many of them will step readily into the gaps left by emigrants. Others will need more time, training or experience before they can do so. But, with an expanding and ever more sophisticated economy, it may prove difficult to fill all the gaps from within Hong Kong.

Increased levels of emigration will almost certainly mean that we will need to import more skills and experience from outside the territory, at least until our efforts to develop our own resources take effect.

12. The first potential source of these skills is of course our former residents, the people who already know Hong Kong.

The Government is already recruiting from the ethnic Chinese communities in the United States, Canada and Australia. Many companies in the private sector are

doing the same. But we do not only welcome those who have left and who wish to return.

We also welcome anyone who wants to come and help us build the future of this territory, if they have the skills and experience that we need.

Hong Kong is a city in which people of all nationalities can play a part. We must be ready, if the need arises, to find replacements for our homegrown talent in the international market-place. And we must ensure that our immigration policies are flexible enough to permit this.

Relations With UK

Another feature of the past year has been the evolution of our relationship with the United Kingdom. Contrary to some popular myths, this Government has for many years been left essentially free to get on with the job of running Hong Kong by itself.

We have sole responsibility for our internal affairs, such as education, social welfare and medical services. For the past 20 years or so, we have made all our own policy decisions in other important areas such as the economy, trade and finance.

As a result, we have developed some interests which are separate from those of the United Kingdom.

Sometimes we have found ourselves on opposite sides of the negotiating table. In the past year or two, for instance, we have had to negotiate about the relative shares of costs incurred by the British Garrison in Hong Kong and we have had discussions about the part the United Kingdom plays in resettling Vietnamese refugees from Hong Kong.

When this happens, you can be sure that your Government argues hard on Hong Kong's behalf.

We have also put forward a clear Hong Kong case on the nationality issue.

I have said that I fully understand and sympathise with the widespread hope in Hong Kong that Britain would grant right of abode in the United Kingdom to all Hong Kong British nationals. I have also said that, in my view, such a move, if it were possible, would have a very positive effect on confidence in Hong Kong, and that the number who would actually leave would be small.

The British Government has said that it does not believe it is possible to grant the right of abode in Britain to all Hong Kong British nationals.

Instead it has promised a scheme under which the right of abode in the UK will be granted to some people in Hong Kong in a way designed to encourage them to stay in the territory.

We have been assured that work is going ahead as fast as it can on such a scheme. I hope that the details will be announced as soon as possible. To have the effect we all

want on maintaining Hong Kong's economic growth and social stability, the scheme will need to cover three important points.

It will need to be as generous as possible; it will need to minimise divisiveness, so far as possible; and it will need to ensure that those covered can acquire the right of abode in the UK without having to leave Hong Kong.

I very much hope that the scheme, when it is announced will help to provide greater confidence and stability in our community.

Meanwhile it cannot be right to say that we want either everything or nothing: a scheme that provides something must be better than no scheme at all.

Boat People

Another problem which has been much on the minds of all of us this year is the continuing inflow of boat people from Vietnam. Since my address to this Council last October, some 34,000 Vietnamese have arrived in this small and crowded territory.

This is the highest number in any year since 1979. The strain on our resources, and on our patience and compassion, has been enormous. But we have coped. We have housed, fed and cared for all those who have come. We have turned no-one away. This is something of which we can all be proud.

Many people outside Hong Kong do not seem to realise what a burden the continuing flow from Vietnam creates for us.

I myself am only too conscious that it has severely strained the tolerance of our community. I sympathise with those who argue that we have now done enough. It is not by choice that the Government spends increasing amounts of public funds, and uses increasing amounts of scarce land, on housing and looking after a seemingly endless stream of arrivals from Vietnam.

Those who come here do not seek a home in Hong Kong. Their goal is elsewhere; in particular, the United States. But they have little prospect of ever getting there, or anywhere else.

Over 80 percent of the Vietnamese now arriving in Hong Kong do not meet United States resettlement criteria.

During the past year, the Government has strongly and consistently argued that the only solution to this human tragedy is that those who are defined as refugees must be resettled overseas, and those who do not meet these criteria must go back to Vietnam.

This is a view which is shared by a number of voluntary agencies which have worked most closely with the Vietnamese, including Oxfam, Save the Children Fund and the British Refugee Council.

Hong Kong has taken the lead in introducing a screening policy as a first step towards putting this solution into

effect. Our lead has been followed elsewhere in South-East Asia and now, most recently, by Japan.

The Geneva Conference in June endorsed our policy of screening and agreed on principles for the repatriation of non-refugees. But it did not take the essential next step of endorsing the repatriation of all those screened out as non-refugees.

In effect it asked us to make further efforts to encourage these people to return home voluntarily. We have tried this and will continue to do so.

The more people who return home voluntarily to Vietnam the better. But the number of people willing to volunteer is limited. Since November last year, only 264 Vietnamese have actually returned to their homeland. Further groups are due to go soon. But voluntary repatriation alone is clearly not the answer.

At the international conference in June, I warned that if proper arrangements were not made to return home those found not to be refugees, Hong Kong could not continue indefinitely to play its part by providing first asylum.

But we must not deceive ourselves into thinking that abandoning this principle is an easy, or cost free, option.

We would have to face the hard choice of what to do if future arrivals sank their boats when they were refused permission to land here.

Would we, as a community, be willing to let people drown? Surely not. We would also have to face an international outcry which would put at risk our prospects for resettling the 13,000 refugees now in Hong Kong, and which would also affect international attitudes towards Hong Kong in other areas, such as trade, where we have important interests.

I remain convinced that the policy we have adopted is the right one, and that it will eventually bear fruit.

At the steering committee meeting in Geneva next week, we will be making very strongly the point that screening and repatriation are inseparable.

It is only by introducing a scheme for orderly return that we will solve the problem of disorderly arrivals. The thousands that are being screened out as non-refugees must go back to their homes in Vietnam.

It is only by finding a way to return non-refugees home that we can do anything for those who are genuine refugees.

We are determined to put in place satisfactory arrangements for both resettlement and repatriation. In the meantime, I call upon all members of our community to have patience, and to remember that the Vietnamese are fellow human beings. Many Hong Kong families, after all, know what it is like to uproot themselves from their homes and seek a better future elsewhere.

Civil Service

The continuing influx of Vietnamese has imposed a great strain on the civil service as a whole, and not only the Correctional Services Department, the Police and the Garrison who have borne the main brunt.

I doubt if many members of our community realise how many departments are involved in one way or another in receiving the arrivals, processing them, feeding them, looking after them and building, operating and guarding centres for them.

Many civil servants have been working long hours in difficult circumstances and under great pressure for much of the past two years. They get little recognition for this, and a great deal of criticism, both in Hong Kong and overseas. They deserve better.

I am sure Members of this Council would wish to join me in recording appreciation for their efforts.

But this is by no means the only strain on our civil servants. They have for many years played the leading role in the government of Hong Kong. Inevitably this role has changed as our system of representative government has developed. Civil servants have had to adapt to this change at a time when, like the rest of the community, they have their own personal worries about the future. As a community we take our civil service for granted. But, from my personal experience of the workings of other governments, I can say without qualification that Hong Kong is well served.

During the rapid constitutional changes that will take place in the next decade, we will depend on the civil service for continuity and stability. So now, more than ever, we must ensure that it remains as stable and efficient as it has always been.

Our Place in the World

Hong Kong is now the world's eleventh largest trading economy.

In the past, as the territory developed, we were somewhat hesitant about involving ourselves in international affairs. But, within the limits of our autonomy, we have now begun to play a role in the world that reflects Hong Kong's economic importance. It is right that we should do so.

The Asia-Pacific region contains the fastest growing economies in the world. Ours is one of them. Sixty percent of our total trade is now with Asia and Australasia. And we play an important role in building up trade within the region.

Goods going through Hong Kong from one part of the region to another, not counting China, have grown by 45 percent in the past year.

Our financial services sector has also become increasingly important in regional terms. Because of the time

difference, business can be done here when London and New York are closed. We now have 135 overseas incorporated banks in Hong Kong. 11 of these were given new licences this year. 12 overseas securities companies and commodities trading companies have also set up business here this year.

Hong Kong has many advantages as a regional base—its location; good communications; an efficient and apolitical administration; and impartial system of justice; a well-educated and efficient workforce; and all the conveniences of a modern city.

Add to this the magnificent new Convention and Exhibition Centre—the largest in Asia—which will officially be opened next month by His Royal Highness the Prince of Wales, and one can see how Hong Kong is increasingly becoming a major regional centre for trade, finance and communications.

So it is not surprising that many companies have chosen to base their regional offices here. For example, 10 of our overseas incorporated banks operate as regional headquarters. So do many other international companies. We welcome this. Indeed we hope that others will follow suit.

Gateway to China

I have already referred to Hong Kong's role as a gateway to China.

Statistics can be dull; but in this area they are startling and revealing. Our re-exports increased by 51 percent in value in the single year 1987 to 1988. Almost a half of these originated in China. And over onethird went to China.

China has used Hong Kong as a gateway for its exports for many years. But it is only relatively recently that we have played such an important role as a channel for its imports. Our Asia-Pacific neighbours have been especially quick to see Hong Kong's potential in this area. For example, in 1988 about one quarter of all Japanese exports to China were routed through Hong Kong.

Hong Kong also plays a key role in foreign investment in China.

Up to 1988, some 70 percent of all such investment was by companies incorporated or registered in Hong Kong. Not all of these were Hong Kong companies. Many were foreign ones which had chosen to use Hong Kong as their base for this investment. And why not? We are not only on China's door step. We also have unrivalled expertise in dealing with Chinese officials and enterprises, particularly in Guangdong Province, and the full range of back-up services that an investor needs.

For many years to come, China will continue to be an important market for foreign exporters and investors. And Hong Kong will continue to be the best means of access to it.

By playing an intermediary role, we can also continue to be of benefit to China. We can provide investment, foreign exchange and expertise to help the Chinese economy continue to expand and develop.

International

Hong Kong naturally wishes to play an active role in international organisations that help to shape the world we live in and that deal with issues that affect our own interests. In doing this, we have devoted most effort to economic and trade matters.

Hong Kong became a separate contracting party to the General Agreement on Tariffs and Trade (GATT) in April 1986. We play our part in it vigorously and responsibly. Hong Kong officials serve as Chairmen or members of a range of GATT bodies and dispute settlement panels.

Our role as a major trading economy; our determination to uphold the principles of free trade; and our willingness to act as a link between developed and developing nations have also enabled us to play a significant role in the important Uruguay round of multilateral trade negotiations.

Apart from the GATT, Hong Kong also takes part in some other 40 international organisations at Government level.

We have made good progress in the Joint Liaison Group in making sure that Hong Kong will continue to be represented in these international organisations after 1997.

In addition, Hong Kong is also represented by private individuals or community bodies in hundreds of non-governmental organisations in the business, sporting and cultural fields.

Our voice is now being heard more often and to better effect.

World Image

For many years, Hong Kong's international image was that of a producer of cheap, low quality goods. We fought very hard to overcome that image, with considerable success.

People began to see Hong Kong for what it is—a bustling, modern city of successful entrepreneurs.

But images are often created by events beyond our control.

When the name of Hong Kong is mentioned nowadays, far too many people probably think either of 1997 or of Vietnamese boat people.

We must do what we can to project a more balanced and more positive image of this exciting city. We must emphasise the progress we have made, in every field from the economy to housing. We must draw attention

to the attractions of Hong Kong today, for its own people and for those from overseas.

And we must, above all, tell the world what we are doing ourselves to build for our future.

At the end of this week, I shall myself be leaving for Washington, Los Angeles and San Francisco as part of the Government's effort to spread these messages to the widest possible audience.

This is not just a job for the Government. All of us can act as ambassadors for Hong Kong.

The Trade Development Council, the Hong Kong Tourist Association and our Chambers of Commerce play an important part in making Hong Kong's attractions known to a wider audience.

The message has particular force when it comes from foreign businessmen who themselves live and work in Hong Kong. Many have been willing to help in this way. I welcome their efforts.

We also want to draw on their experience to involve them more in the life of our community. As part of this, I have approved the setting up of an International Business Committee, to be chaired by the Chief Secretary, on which all the main overseas Chambers of Commerce will be represented. This will provide a valuable means of tapping the talents of overseas businessmen for the benefit of the whole community.

Political

In the next decade, Hong Kong faces a period of unprecedented political and constitutional change.

We must manage this without endangering our stability. We must continue steadily to develop our own institutions in which our community has confidence.

During the past few years there has been vigorous debate in Hong Kong about how quickly we should develop our system of representative government.

Your Government has always believed that political development should be based on the widest possible support in the community.

We have indeed sometimes been criticised by those who would like to go faster than this principle allows.

This year a number of models for the future composition of this Council have been put forward.

One of these was the result of lengthy discussion by the non-official Members of this Council and the Executive Council.

These models have stimulated a great deal of debate in the community. This is a good thing. The issues involved are vital for the future of Hong Kong.

Out of this debate I hope that a broadly held Hong Kong view will emerge.

This would help the drafters of the Basic Law, when they meet later this year and early in 1990, to carry out the important task of formulating the structure of Hong Kong's political system in and after 1997.

The Government would also wish to respond positively to such a view when we take decisions on what further changes should be made to the composition of this Council in 1991.

Before taking these decisions, we will consider all aspects of the composition of this Council: the number of official and appointed members, whether there should be a further increase in the number of members elected by functional constituencies and the number of directly elected seats.

We shall have in mind the widely-held view in the community that there should be a somewhat faster rate of development in 1991 than previously envisaged; and also the fact that by 1995 all members of the Council will be elected by one means or another. We must prepare for that situation well in advance.

The Basic Law

The second draft of the Basic Law was published in February. It was generally seen as a considerable improvement on its predecessor.

Careful note had clearly been taken of points made in Hong Kong during the consultation period last year.

Recent events in China have refocused public attention on some parts of the Basic Law. I have already referred to the various models that have been put forward with regard to the composition of the legislature. Another area which has been the subject of much debate is the relationship between the Central Authorities and the SAR Government.

I hope that the people of Hong Kong will use this final period of consultation to put forward their views on the draft of a document which will be of great importance to their future.

The Chinese Government have made it clear that they intend to publish the Basic Law next spring. Its contents will have a significant impact on how people, both locally and overseas, view the future of Hong Kong.

A Basic Law that meets the main points of concern in Hong Kong can go a long way to restoring confidence in the future of the territory.

I therefore urge the Basic Law drafters to be receptive to the views expressed on the draft in Hong Kong during the current consultation period and to take them carefully into account. There is a great deal at stake.

Bill of Rights

In Hong Kong we have always taken for granted the basic social and political freedoms that we enjoy.

These are backed up by many different provisions of statutory and common law. In addition, the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights have been extended to Hong Kong since 1976. And their continued application beyond 1997 is guaranteed in the Joint Declaration.

It is clear that there is now strong support in the community for these freedoms to be entrenched through the enactment of a Bill of Rights.

The Government has been considering what form such a Bill might take. We propose that it should give effect in local law to the relevant provisions of the International Covenant on Civil and Political Rights.

This means that if anyone believes that their civil or political rights, as defined in the Covenant, have been violated they will be able to seek redress in the courts.

We aim to publish a White Bill for public consultation by the end of this year and to introduce draft legislation into this Council by July 1990.

Within this timescale there will not be time for a comprehensive review of all our existing laws to remove any areas of doubt about their full compatibility with the Bill of Rights.

To avoid any unnecessary uncertainties the draft Bill will provide for a limited period after its enactment during which existing laws cannot be challenged against the standard of the new Bill.

The provisions of the other international covenant, the Covenant on Economic, Social and Cultural Rights, are different in nature.

They are in the form of objectives to be achieved progressively and, generally speaking, are not rights which individuals could easily enforce in the courts. For these reasons they are not well suited for inclusion in a Bill of Rights designed to give people the right of direct action in the courts. We are of course fully committed to the objectives of the Covenant and seek to implement them through our existing legislation and policies.

The JLG

Much of the detailed work on implementing the Joint Declaration takes place in the Joint Liaison Group (JLG).

The achievements of the JLG during the past four years have contributed significantly to the maintenance of confidence in Hong Kong.

They have only been possible because of the close contacts and co-operation between the two sides. Inevitably, these contacts were temporarily suspended in June. The Group has recently resumed its activities and will now meet again in December.

I hope that it will then, as previously, produce a steady stream of solid work. Much still remains to be done before 1997.

The confidentiality of proceedings in the JLG has often led to misunderstandings in Hong Kong about its role and activities.

From time to time it has been suggested that the British and Chinese Governments take decisions in the JLG in which Hong Kong plays no part. I can assure you that this is not the case.

Two members of the Hong Kong administration sit as members of the British side of the JLG and many more attend its meetings.

All subjects on the agenda of JLG meetings are thoroughly discussed beforehand between the British and Hong Kong Governments. And the Executive Council is kept fully informed of all proceedings and is consulted on all major issues of policy. Hong Kong makes a full contribution to the work of the JLG. We will continue to do so.

Social Services

In the final analysis, the future of Hong Kong rests with its people.

Your Government attaches a great deal of importance to ensuring that Hong Kong remains an attractive place to live in, with social services that meet the needs of our society.

We do not intend to provide a Western-style welfare state.

To do so risks encouraging a mentality of dependency that is alien to the Hong Kong way of life. Instead, we concentrate much of our efforts, and of our available resources, on the young people of Hong Kong, who represent our future, and on those who cannot fend for themselves.

Education

During the past 20 years, as Hong Kong has prospered, the demand and need for better education has grown with enormous speed.

In our community, the first goal that parents set themselves, as their living standards improve, is to give their children the best possible educational opportunities.

In the 1960s, most parents were keen simply to provide some sort of schooling for their children. In 1971, the Government was able to provide free primary education for all.

In the 1970s expectations increased; and in 1979 free, compulsory education was extended to include secondary forms one to three.

The ambition of ordinary families today is that their children should do well enough in examinations to be able to go on to some kind of post-secondary education.

At the same time, the development of our economy means that we need an increasing number of young people trained beyond secondary school level. It is clear that we are not at present able to meet the full extent of this demand. As many Hong Kong students now go abroad for tertiary education as stay in Hong Kong. Another factor is emigration. We must now plan on the assumption that we will lose a proportion of our future graduates abroad.

The Government therefore proposes to upgrade substantially the targets that we set ourselves only last year.

These would have meant that in the year 1995, for example, there would be first-year, first-degree places for nearly 13 percent of the relevant age group, compared with about seven percent now. This was an ambitious target. But it is now clear that we must be even more ambitious.

I have asked the University and Polytechnic Grants Committee(UPGC) to increase the planned provision of first-year, first-degree places from about 7,000 next year to about 15,000 in 1995.

That means places for over 18 percent of the relevant age group. This will not be at the expense of sub-degree places. These will be maintained at the previous planning level of 5,000.

This increase would give a total of 67,000 tertiary places in 1995. That would provide places for nearly 25 percent of the relevant age group, compared with under 14 percent now.

The UPGC is now working out how to meet these new targets.

Amongst other things, we will probably have to bring forward plans for expanding our existing universities and increase the percentage of degree places offered at our polytechnics.

At the school level, there has been a great deal of concern in the community that the introduction of mass education has been at the expense of standards. There is some truth in this.

In future we shall aim to concentrate on improving quality rather than giving top priority to increasing numbers.

Major measures over the next few years which have already been announced include providing Secondary 7 classes in all types of secondary school and bringing in A-level examinations in Chinese.

In my address to this Council last year, I mentioned the desirability of working towards whole-day schooling for

all primary classes. This remains our long-term objective. But, given our other educational priorities, resource constraints and demographic trends, we need to be realistic about how quickly we can achieve it. Our first priority will therefore be a phased program of converting senior primary classes to whole-day operation.

We are an international trading centre where the ability to use language well is a key ingredient of success.

One important objective of our school system must therefore be to improve the standards of both English and Chinese.

The Government has already taken several significant initiatives. These have included sending large numbers of local teachers overseas for immersion courses in the English language and introducing a scheme to enable schools to employ expatriate teachers of English. But these measures are not enough.

We need urgently to devise a strategy that will deal with the difficult problems of the medium of instruction and the quality of language teaching.

The Education Department will soon publish for public consultation the report of a working group which has looked into these issues. After members of the public have had an opportunity to comment, proposals will be put to the Board of Education and the Education Commission early next year.

In Hong Kong private secondary schools have generally not had the resources to compete with the public sector. This has meant a lack of variety and flexibility in the educational system.

Good private schools can give special emphasis to specific areas such as languages or art. They also provide for the possibility of greater choice within the educational system.

The Government believes it important to increase parental choice by encouraging the development of a healthy private school sector in Hong Kong.

To help achieve this, we will introduce a new Direct Subsidy Scheme. Schools which meet certain criteria will be eligible to join the scheme, and will receive Government assistance at a rate which will depend on their fee income, with more going to those which charge less.

They will, at the same time, be able to retain a great deal of freedom in deciding on curriculum, fees, management and the selection of pupils. The Government will phase out bought places in private schools by the end of the 1990s.

In the meantime, we will improve the standards of these schools so that, when the time comes, they will have a good chance of joining the new subsidy scheme.

We agree with the Education Commission that pre-primary education must be seen as a desirable rather

than an essential part of our education system. But we see a clear need to improve standards of teaching in kindergartens.

We therefore propose to improve the basic training course for kindergarten teachers and introduce a new fee remission scheme.

This will replace the existing scheme of fee assistance and allow additional help to be given to less well-off parents who have children in kindergartens.

In laying down broad programs for improvements to our educational system we must not overlook the special difficulties that individual schools face.

Some for instance have severe problems of noise. We have already sound-proofed and air-conditioned 37 schools affected by aircraft.

This year, we are starting a new program that will cover a total of 117 aided and Government schools affected by unacceptable levels of traffic noise.

We aim to complete it during the early 1990s.

Education is expensive and heavily subsidised by the community. The proposals I have outlined, especially for the further expansion of the tertiary sector, inevitably mean that some other sectors will, for the time being, have to take a lower priority.

In practical terms, this means slower progress in some other areas which, however desirable in themselves, have to take their place in the queue.

Decisions on the right allocation of public money are never easy.

But I hope that Members of the Council, and the community as a whole, will agree that the proposals I have outlined are the right mix for meeting our more pressing needs within the resource available.

Some 80 percent of those who will make up Hong Kong's workforce in the year 2000 have already completed their education.

So the provision of training for those already at work is also an important priority. Many potentially useful technologies are not yet being applied in our industries.

The Government proposes to establish a training fund to encourage employers to give managers the opportunity to learn about these new technologies. This fund will include contributions from various sources, including the private sector. It will provide loans to cover the cost of local extension training and overseas working attachments. I hope employers will make good use of it.

Health Service

The medical and health field is another area where, in the past, we concentrated on meeting basic needs. We achieved remarkable successes.

Life expectancy in Hong Kong for both men and women is now higher than in many advanced countries, including the United States and the United Kingdom. Our infant mortality rates are lower than in either.

Now we should raise our sights. Our new priority must be to improve the quality of service.

Our public health service is heavily subsidised, and our professional medical staff are dedicated and hard-working. But our hospitals are overcrowded, and there are long queues at our clinics.

We do not always provide our community with the range of services that they need. In important areas like mental health and geriatric care, our standards fall below our aspirations.

The lesson of public health services all over the world is that increased expenditure does not necessarily translate into higher standards.

What is really important is the way the money is used and how well the facilities are managed.

It makes no sense to have some publicly funded hospitals overflowing and others with spare capacity. Or to have hospitals where there are camp beds in some wards and empty beds in others.

The Hospital Authority, which we aim to establish by April next year, will be well placed to ensure that the money we spend on our public hospitals—\$5 billion this year—is used in the most effective way.

By bringing Government and subvented hospitals together within a single integrated system, the Authority will be able to make sure that the best possible use is made of the facilities that each hospital can offer.

Quality of management will be particularly important because of the size of the hospital service.

By the end of next year the Authority will be responsible for more than 22,000 beds, including almost 1,000 in the first two phases of the new Tuen Mun Hospital and the Queen Mary Hospital extension.

Two other current projects should help to improve the quality of our medical services.

First, a working party has been set up to review our primary health care services, and in particular to consider which of these is best carried out by the Government and which by the private sector.

It will report by the end of 1990. Second, the Government has decided to establish a Hong Kong Academy of Medicine.

This will be a statutory body with authority to set standards in post-graduate medical education; to decide the content and length of training courses; and to accredit those who have passed the required examinations.

Hong Kong will then have its own system for ensuring that doctors are properly trained and locally qualified in the various clinical specialities.

Social Welfare

Since the publication of the 1979 White Paper on Social Welfare, we have made good progress in developing our policies and services to meet the needs and expectations of our community.

We have a comprehensive safety net to make sure that none in our community need fall below basic living standards. We have a wide range of services from day care centres to residential homes.

It is now time to take stock of the progress we have made and to make sure that our policies and standards continue to meet the needs of Hong Kong into the 1990s and beyond.

I have, therefore, asked the Secretary for Health and Welfare to launch a review of our social welfare services in conjunction with the subvented sector.

The Government will then in the second half of next year publish a White Paper setting out our proposals on the way ahead. In the meantime, additional funds will be available this year to reduce case loads in family service centres and social security field units operated by the Social Welfare Department.

One problem that we face is a shortage of trained social workers. A good many professional staff have emigrated.

To fill the gaps, a number of measures are already being taken, for example substantially increasing the intake of social work students into our tertiary institutions. But, in planning improvements to our services, we must take care not to place impossible burdens on our existing staff, both in the Government and subvented sectors. They already have very heavy workloads.

Separately, we will continue to develop our rehabilitation services with the aim, where possible, of integrating the disabled into the community.

The objective will be steadily to improve the quality of services while, at the same time, extending them to cover more of those in need.

Particular emphasis is now being placed on employment for disabled people so that they can, to the greatest extent possible, earn their own living.

Funds will be made available to provide additional teachers in schools for the disabled so as to expand the curriculum and include career counselling and civic education.

In April 1990, we will also be extending the higher rate of disability allowance to those aged 15 and under who require constant care and attention. This will go some way to recognising the additional financial burdens faced by the parents of these young people.

Youth Policy

One quarter of our population is under the age of 25. These young people will provide our future leadership and workforce.

To help us meet their needs and response to their aspirations, the Government proposes to set up early next year a Commission on Youth.

This will be chaired by a non-official and will include senior Government officials and a wide range of other members from the community, including young people.

The Commission's terms of reference will be to advise the Government on how best to implement our objectives for the development of youth services.

We believe that we should develop what will amount to a charter for youth which will give our young people the best possible educational opportunities; promote physical and mental fitness; give young people opportunities to gain international experience and thereby broaden their outlook on life; improve their civic awareness and encourage them to participate in community affairs; and promote youth leadership training.

In the year ahead, I hope to see progress in another area: sports. Already some Hong Kong sportsmen and women are beginning to make their presence felt in international competitions. But so far our achievements in sport lag behind those in other areas.

It is time we all made an effort to raise our standards.

A major step forward will be the creation of a Sports Development Board. Its Executive Director has already been appointed. So have the members of the Provisional Board.

Its first priority will be to work out a territory-wide strategy for sport. The aim will be to get the right balance between the twin goals of excellence and mass participation.

Housing

The availability of good, reasonably-priced housing is a key factor in creating the stable yet dynamic society that we want to see in Hong Kong.

Our record of providing subsidised housing stands comparison with anywhere else in the world.

The Housing Authority now manages 723,000 flats and is the landlord for 47 percent of our population.

In the last financial year, it completed over 50,000 flats, a record for a single year. This year, it is likely to set a new record yet again, with an estimated production of 53,000 flats.

These are remarkable figures by any standard. They will be achieved without any sacrifice to the quality of accommodation and environment provided.

In every community, ordinary families dream of owning their own home. Communities are healthier and more stable when home ownership is widespread.

Helping Hong Kong families to become home owners is an important part of the Long Term Housing Strategy.

At present, only 15 percent of our stock of public housing is owned by the family living in it. But this figure is set to increase.

This year, one-third of the new Housing Authority flats will be for sale rather than for rent.

The Authority has also decided recently to increase the scope of its Home Purchase Loan Scheme so that more of its tenants will receive larger interest-free loans to buy flats in the private sector.

It is considering another bold initiative: The feasibility of selling some of its newer flats to the families who are now renting them.

At present, 41 percent of Hong Kong families own their own homes. As a result of the Authority's imaginative ideas, we can expect the number to rise steadily during the years ahead.

The Housing Authority aims to produce 527,000 public housing flats for rental and sale between now and the year 2001. This is an ambitious target.

The Government will do its best to find the new land required and to provide the necessary infrastructure. Our planners and engineers are hard at work already.

Maintaining our housing program will remain an important priority for the Government.

Environment

Last October I spoke at some length about the various pollution problems that we face and our determination to tackle them.

A White Paper on Pollution, published in June, set out in detail proposals for a comprehensive program of action over the next 10 years.

We have already begun to implement these. The Planning, Environment and Lands Branch, which came into being last month, will give a fresh impetus to our efforts to improve the environment.

I would like to emphasise the importance that I personally, and the Government as a whole, attach to dealing with the problem of pollution.

It is not just a matter of keeping Hong Kong clean, important thought that is. Pollution can, and often does, cause damage to our health and to that of our children. We must bring it under control.

The fact that we propose to spend at least \$20 billion in the next decade shows how important this objective is.

Much of this money will be spent on the complete overhaul of our sewerage system and the construction of three massive landfill sites and associated refuse transfer stations.

Money alone cannot solve our pollution problems.

Nor can the Government alone. Each individual member of this community has a vital contribution to make in creating an environment that is safe and pleasant.

Until recently, far too many of us in Hong Kong were unaware of the threats to our environment. We placed far too little importance on protecting it. This attitude is already changing. It must change further. The Government has given a lead. But the community must also play its part.

On the 19 July, during the debate on the White Paper, several Members of this Council stressed the need to improve environmental education.

The Government has taken this advice to heart. This year, apart from pushing ahead vigorously with the 100 separate initiatives in the White Paper, we will give greater emphasis to environmental education.

We must make everyone aware of the impact that pollution has on our community; we must make everyone recognise the importance of doing something about it; and we must make everyone realise that they have a part to play in making Hong Kong a cleaner and greener place.

Airport

In the next few years, we will also need to put a great deal of effort into building up the physical infrastructure needed for a modern city which is not only home to almost 6 million people but also an important regional and international centre.

In doing this, we will take account both of the requirements of Hong Kong itself and of those areas of Southern China with which we now have such close economic links.

Last October, I said that a range of studies was being carried out to devise a strategy for the long term development of our port and airport. These have now been completed.

They show that there is a clear case on economic grounds for building a new airport as soon as possible.

After an exhaustive study of the various options, the Government has decided to build a new Hong Kong International Airport at Chek Lap Kok.

It will be a two-runway airport built to the most exacting modern standards and able to operate 24 hours a day.

When completed, it will be able to handle 80 million passengers a year—over three times the maximum capacity of Kai Tak.

Our aim will be to open the first of the two runways by the early part of 1997.

Building the airport itself, enormous though that project will be, is only part of the story.

We have to make sure that people can get to it easily and quickly. To do this we plan to build a high-speed rail system and a six-lane highway which will join North Lantau to Tsing Yi Island and go from there along the new West Kowloon Reclamation to a Western Harbour Crossing and then to Hong Kong Island.

We will also have to provide all the facilities needed for servicing a new airport.

This means building a new town for at least 150,000 people, plus industrial and commercial facilities, in the Tung Chung valley.

Building the new airport, and the road and rail links associated with it, will be the largest project ever undertaken in Hong Kong.

It will require an immense amount of effort from both the public and the private sector.

To have the new airport in operation in early 1997 means setting to work as soon as possible.

The planning, construction and ultimately the management of it will be put in the hands of a new Airport Authority.

Early next year, I will be appointing members of a Provisional Authority which will do the preliminary work before the Authority itself is set up.

Once the first runway of the new airport is open we can close Kai Tak, which is likely to be operating at full capacity by 1996.

Besides the need for a modern airport to meet Hong Kong's requirements in the 21st century, closing Kai Tak will bring its own benefits.

The whole of the area now used by the airport will be available for redevelopment. We will be able to lift height restrictions in parts of Kowloon. And the problem of excessive aircraft noise, which now affects some 350,000 people, will be eliminated.

Port

The new airport will be a dramatic symbol of our determination to create an infrastructure to the highest international standards.

We propose to transform our port in an equally dramatic way.

The major projects that we are planning will create what amounts to a completely new port on the western side of the territory.

The need to create this additional capacity comes from our sustained economic growth in recent years. The port now handles 80 million tonnes of cargo a year, an increase of almost 90 percent in the past five years. Further substantial growth is expected.

The point has now been reached where our existing facilities are coming under severe strain.

In planning for the expansion of our port we have looked ahead to 2006. By that time we will need;

- To increase our container throughput by five times;
- Additional land for lorry parking and container storage;
- On-shore facilities to replace the unloading which is now done in the harbour itself;
- Space to cater for larger numbers of river trade vessels; and
- Space for the various industrial activities which a modern port requires.

Our first priority is to build the next container terminal, Terminal 8. This will go on reclaimed land at Stonecutters Island. We plan to make the site available for development in 1991, so that the first berth can be in operation by mid-1993.

Terminal 9 and its support facilities will be built on reclaimed land at the south east of Tsing Yi Island.

At that point, there will be little room for further development in the area of the present container port.

We then plan to move the focus of the port westward. One area for development will be North Lantau, making use of the road facilities being built for the new airport.

Another will be the coastal strip west of Tuen Mun.

Two more major developments will be the construction of a large breakwater between Lantau and Lamma to increase the amount of sheltered anchorage in the western harbour; and the dredging of a new shipping channel to the west of Lamma.

All this development work in the port means that we must make sure that we co-ordinate the needs and interests of all its many different users.

To do this, we propose to set up a Port Development Board, which will give advice on the detailed planning and management of the port as we carry out the plans for expansion I have outlined.

Financing

The ambitious program of works I have described will give Hong Kong a new modern airport and a larger port, plus all the necessary transport links and supporting industrial and commercial facilities.

The cost will be some \$127 billion at current prices over the period up to 2006.

This is an enormous financial commitment. But, after very careful study, the Government is convinced that this commitment is one we can afford.

Indeed we believe that we cannot afford not to make it.

We must make sure that Hong Kong continues to have the facilities to meet the needs of our growing economy. We must also be realistic, and make sure that we phase the construction of these new projects in a way that does not place too great a strain on our economy.

We have already seen how successful the private sector has been in developing our container port and in building our cross harbour tunnels.

The Government believes that many of the individual projects connected with the new airport and the expansion of the port will be commercially viable.

I am sure there will be many local and international developers who will be keen to co-operate with us in these enormous and exciting projects that are so important to Hong Kong's future.

The plans we have for building a new airport and developing the port will create new opportunities for the construction industry. But they will also make huge demands on its resources.

It may well be necessary to consider exceptional arrangements to ensure that we have an adequate supply of labour so that they are completed on time and without causing unacceptable inflationary pressures.

Land Resources

The new airport and the massive expansion of our port will transform Hong Kong's development potential.

Large new areas in the western part of the territory, particularly Lantau Island, will be opened up for industrial and commercial use.

These activities are now concentrated in a fairly narrow band on both sides of the harbour. But in future it will be possible to escape the restrictions and congestion imposed by the existing urban areas and to plan further development on the basis of large-scale modern port and airport facilities coming into being in the western part of the territory.

This will provide a new and very welcome opportunity to bring about a great improvement in working and living conditions for the community as a whole.

Looking at the details, the new airport at Chek Lap Kok, and the bridges and roads that go with it, will open up for potential development the whole of Lantau's northern coastline.

This can be achieved without damage to the outstanding recreational facilities on the hills and southern coast of the Island.

Expanding the port westwards will make available further land, mainly for industrial use, west of Tuen Mun.

The port and airport developments also mean that the West Kowloon reclamation will need to be completed in the mid-1990s to provide the necessary transport links to the urban area.

This reclamation will provide a major source of land in the urban area for commercial and residential development.

More badly needed land will be provided by the Central and Wan Chai reclamation, where sites will start to be available during 1993.

Looking further ahead, we have the possibility of reclaiming the channel between Green Island and Hong Kong Island and the immense opportunities provided by the removal of the airport from Kai Tak.

These urban reclamations will give us the opportunity to re-plan our older urban areas, as envisaged in the Metroplan.

In doing this, an important point will be to make sure that the planning of land use is properly co-ordinate with the provision of new transport facilities.

Transport

I have already referred to the new road and rail links which will be needed for new port and airport developments. Preliminary planning and feasibility studies for many of these projects have either begun or will soon start.

In the meantime, the Government is continuing to develop our transport infrastructure in other areas.

The railway section of the Eastern Harbour Crossing opened in August, and the road section in September, four months ahead of schedule.

This magnificent achievement by the private sector has brought some much-needed relief both to the Cross Harbour Tunnel and the MTR Nathan Road corridor.

Other major projects to improve our transport links are on schedule. Route 5 between Sha Tin and Tuen Wan will open early next year, followed by the tunnel linking Junk Bay (or, as it will be called in future, Tseung Kwun O) to Kwun Tong and the final stages of the New Territories Circular Road.

In 1991, the Tate's Cairn Tunnel (already well advanced) and the Kwun Tong Bypass will be completed, to bring comfort and greatly improved transport connections for the travel-weary inhabitants of Sha Tin and the New Territories.

The Green Paper on Transport Policy published in May gave details of a large number of other road and rail projects which will be launched during the next 10 years. I will not go into all the details.

They include a new Western Harbour Crossing; the Hung Hom Bypass; the upgrading of major east-west links in the Kowloon peninsula; Route 7 from the Western Harbour Crossing to Aberdeen; and Route 16 from Sha Tin to West Kowloon. And early next year, a development study will begin of the various rail proposals in the Green Paper.

A transport policy is not simply a matter of building more roads and railways.

The Green Paper also set out strategies for improving and expanding public transport and for managing the use of roads to make it possible to keep both people and goods moving.

Road use management is never popular. But we have to be realistic.

Hong Kong is a small, densely crowded territory with only limited space for new roads and railways.

We cannot cope with the same levels of private vehicle ownership that are found in other prosperous communities without the city grinding to a halt.

The goods vehicle fleet has to be used efficiently to minimise its impact on congestion and the environment.

Most of our population travel by public transport.

We must do what we can to ensure that they remain willing and able to do so. When all the comments on the Green Paper have been absorbed, the important question of how to do this will be tackled in a transport White Paper to be published early next year.

Technology

Making full use of modern technology is another important priority for an increasingly sophisticated economy like ours. Indeed, we have done a great deal through adopting advanced technology.

Our banking and financial services have achieved standards of excellence second to none. Our telecommunications industry is already highly advanced, and the construction of a second network will create new opportunities for competition.

The MTRC [Mass Transit Railway Corporation] and KCR [Kowloon-Canton Railway Corporation] have been notable for introducing the best available transport technology.

Other sectors of the economy, in particular the manufacturing industry, are exploring what they need to do to remain technologically competitive in world markets.

The Government recognises the importance of these efforts. As part of our overall strategy to upgrade the economy, we plan to establish a new Hong Kong Technology Centre.

This will provide facilities for new and small high technology companies to share certain common services until they are ready to set up on their own.

To emphasise the contribution which we hope our growing academic community can make to our technological progress, we are considering locating the centre close to the City Polytechnic as well as to the new Hong Kong Productivity Council Building.

The Future

My aim this afternoon has been to show clearly how, despite the shocks we have experienced during the year, your Government is continuing to plan for the long term future of Hong Kong.

We have a clear vision of what we are trying to achieve.

It is a vision that I hope will sustain Hong Kong during the present period of uncertainty and give us all confidence in our ability to overcome whatever problems confront us.

As a community we tend to take for granted what we have achieved. But we only have to look back 10 years to see just how much has been done. Hong Kong in 1979 was a very different place.

Let me take a few examples:

- Our relations with China were still very limited. Our domestic exports to the mainland were only worth \$600 million (compared to \$38 billion last year). We had only recently opened air links in December 1978, and direct train services from Guangzhou restarted only on 4 April;
- There was no universal franchise at any level. Only about 32,000 people had the right to vote in Urban Council elections. The only District Boards (those in the New Territories) were wholly appointed;
- only that year, junior secondary education was for the first time made free and compulsory for children below the age of 15;
- The first section of the MTR (from Shek Kip Mei to Kwun Tong) had just opened on 30 September;
- We had 2.2 million tourists, about 40 percent of the figure last year;
- We had no bank building higher than 20 stories, no Exchange Square (but 4 Stock Exchanges), no Academy for the Performing Arts, no Tsim Sha Tsui East, no Aberdeen Tunnel and no airport tunnel.

Let us now use our imagination to look ahead slightly more than 10 years.

In the year 2000, Hong Kong will be a Special Administrative Region [SAR] of the People's Republic of China.

It will have a wholly elected legislature.

The Chief Executive, and all the most senior Government officials, will be Hong Kong Chinese. They will exercise a high degree of autonomy in the administration of Hong Kong.

The SAR will be a leading regional and international commercial and financial centre in which foreign nations will play an important part.

And it will be playing a full role in a wide variety of international organisations.

Physically, Hong Kong will have changed almost beyond recognition.

It will take about 25 minutes to travel by rail from central Kowloon to the new airport at Chek Lap Kok.

On the way, you will go along the new West Kowloon reclamation and pass new port facilities at Stonecutters Island and Tsing Yi.

Alternatively, you could travel from Central to the Chinese border via the new Western Harbour Crossing, Tsing Yi, the Route 3 tunnel to Yuen Long and the Lok Ma Chau bridge.

Redevelopment will be beginning on the present site of Kai Tak airport.

Our Convention and Exhibition Centre, by then doubled in size, will be some 300 metres inland. So will Exchange Square.

The Central business district will have expanded greatly on to a new reclamation with a variety of new civic, cultural and commercial buildings and with a continuous walkway beside the harbour linking open park areas.

Striking social changes will also have taken place. Our ambitious housing program means that about half of our households will be living in subsidised housing, almost 40 percent of them in flats which they own themselves.

Our revised educational targets mean that as many as 20 percent of our 19-year-olds may be studying in Hong Kong for first degrees and another 7 percent for other tertiary level qualifications.

Our strategy for fighting pollution means that we will have significantly improved our environment, including the air that we breathe, and we will have completely over-hauled our sewerage system.

The establishment of our Hospital Authority will have led to more efficient management, and greatly reduced overcrowding, in our public hospitals. There will be 20,000 places in old people's homes, and a further 6,000 places in sheltered housing provided by the Housing

Authority. 90 percent of all homes will have access to up to 20 television channels. 46 percent of the population will be living in the New Territories. And so on.

Conclusion

The plans that I have outlined today demonstrate your Government's commitment to the future of Hong Kong.

They are a major investment for our future prosperity.

They will be very expensive. We can afford them. But only if we are prepared to exercise prudence and restraint in other areas of public expenditure.

It will be more necessary than ever to assess our priorities carefully. In particular, we must keep a tight control on the growth of the civil service.

The amount of money we are proposing to spend on building for Hong Kong's future may seem daunting.

But it represents a necessary investment in human resources and in our physical infrastructure.

By pressing ahead with such ambitious programs despite the special pressures which our community has so recently faced, the Government is demonstrating its commitment to Hong Kong's future.

To carry out these programs, we will need all our enterprise, resourcefulness and efficiency.

And we will have to accept that we can achieve our goals only by continuing to give priority to the overall growth of our economy.

It has been a difficult year for Hong Kong. But we have had difficult years before. We have survived them. We have emerged from them stronger and more confident in our own ability.

We must have confidence in ourselves. Without this, we cannot expect other people to have confidence in us.

Your Government will continue to face resolutely the challenges that lie ahead.

To do so, we need the support of Members of this Council and of the whole community. We need more than that. We need leadership from within the community.

In 1997, Hong Kong will be run by Hong Kong people. They must have confidence in themselves, and in the leaders they choose, if they are to enjoy the stability and progress, for themselves and their families, for which this whole community works so hard.

Political Groups Unite, Reveal 'Blueprint'

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MORNING POST in English 10 Oct 89

[By Chris Yeung]

[Text] In a show of solidarity, leaders of Hong Kong's conservatives, liberals and moderates last night called for territory-wide support for their compromise political blueprint.

The three major political forces formally announced their long-awaited agreement and the formation of a joint conference to iron out outstanding differences over the 4-4-2 model before the Basic Law consultation period closes at the end of the month.

The convener of the conservative Group of 89 businessmen and professionals, Mr Vincent Lo Hong-sui, said: "What we need now is a proposal that is acceptable to most of the Hong Kong people."

"I'm convinced the Basic Law drafters will carefully consider our proposals if we demonstrate our sincerity in striving for a compromise."

China is understood to have opposed the compromise model and there has been criticism that it was aimed at "resisting China" by speeding up democratic reforms.

Even Mr Lo admitted that the response of senior Chinese official Lu Ping to the plan during an informal discussion in Macao last month "was not positive".

Mr Lo said he had another discussion with Mr Lu during a visit to Beijing last week, but declined to give details.

However, it was learned that Mr Lu has softened his stance and has been quoted as saying he welcomes efforts for a compromise.

Yesterday's announcement—made by leaders from the three camps including liberals Yeung Sum and Dr Huang Chen-ya, moderates Dr Michael Luk Yan-lung and Mr Chang Ka-mun as well as Mr Lo—marked the end of a four-year-old deadlock between the territory's political rivals over the pace of democratic reforms after 1997.

Mr Lo said: "The agreement was the result of years of debate. It is not meant to attack any other models. We hope community leaders and Chinese officials will discard rumours that the compromise is aimed at resisting China."

"We've always stuck to the goal of implementing the policy of 'one country, two systems', Hong Kong people ruling Hong Kong and the maintenance of the territory's prosperity and stability."

"Only by promoting unity among the territory's people can the policy of 'one country, two systems' be successfully implemented."

"Frankly speaking, the model is not perfect. But under the present circumstances, it is the best design that can accommodate the interests of different sectors."

"We hope the new compromise can help settle the incessant disputes and be conducive to the drafters working out a Basic Law that is acceptable to the majority of Hong Kong people," he said.

Cooperation and mutual trust across the border would in turn be boosted if China did accept the package that is backed by Hong Kong people, Mr Lo added.

"We hope that various groups and community leaders will work together in a sincere, sensible and cooperative manner to fight for the acceptance of the drafters of our proposals."

He said they did not rule out discussions with other groups which have drawn up alternative models, such as Omelco [Office of Members of the Executive and Legislative Councils], and the advocates of the bicameral model, the New Hong Kong Alliance.

But he cast grave doubts on the degree of support for the two packages.

A Group of 89 member and local drafter Dr Raymond Wu Wai-yung, who is also an advocate of the bicameral model, described the new compromise as "a ray of hope".

"I will try my best to reflect the thinking behind the proposals and recommend it to fellow drafters. A consensus is of paramount significance in promoting social harmony at a time when the territory is facing a confidence crisis.

"I might recommend both the bicameral model and the compromise blueprints to fellow drafters," he said.

Under the 4-4-2 model, 40 percent of the first legislature would be returned by universal suffrage. A further 40 percent would be elected by functional constituencies and the remaining 20 percent by an as yet-to-be-defined election committee.

Seats from the election committee would be scrapped in the second legislature beginning in 2001, while 60 percent of the legislature would be directly elected and 40 percent returned from the functional constituencies.

The second legislature should decide whether to switch to full universal suffrage for 2005.

On the chief executive, universal suffrage would be introduced starting from the third term in 2005 with nominations made by an election committee. The same election committee would elect the first and second chief executives.

A leader of the 100-group liberal alliance, Mr Yeung Sum, said the joint conference comprising about six to 10 representatives from each side would meet again on Monday to work out the fine details of the model.

"Time is running out. We hope a satisfactory model can be worked out within the consultation period.

Mr Yeung pointed to the composition of the election committee, which he insists must be chosen in a democratic way.

Lu Ping Refutes Report on 4-4-2 Model

HK1210125489 Beijing ZHONGGUO XINWEN SHE
in Chinese 0859 GMT 12 Oct 89

["Lu Ping on Report Carried in Hong Kong Newspaper Concerning Lo Hong-sui's Visit to Beijing"—ZHONGGUO XINWEN SHE headline]

[Text] According to a report carried in a Hong Kong newspaper, while Lo Hong-sui, initiator of the "4-4-2" model, went to Beijing recently to discuss the model with Lu Ping, the attitude of the Chinese side softened somewhat. This reporter interviewed Lu Ping to confirm the report. Lu said that the report did not accurately give an account of the actual situation. Our attitude toward the "4-4-2" scheme has been consistent. Luo tried to persuade me, and I also tried to persuade him. However, no one could persuade the other.

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